

# EFRAG Sustainability Reporting Board Consultation Survey 2

Fields marked with \* are mandatory.



## EFRAG Sustainability Reporting Board Consultation Surveys 3A - 3D

### Consultation survey structure

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

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

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

#### 3. Adequacy of Disclosure Requirements (Survey 2)

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

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## EFRAG Sustainability Reporting Board Consultation Survey 2

### Respondent Profile

#### 1. Personal details

\* Organisation name

Confindustria

\* First name

Matteo

\* Surname

Borsani

\* Email (this information will not be published or made public)

delegazione@confindustria.eu

\* Country of origin

Italy

**\* 2. Type of respondent**

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

**\* 3. Size**

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

**\* 4. User/Preparer perspective**

- User

- Preparer
- Both
- Neither

#### \* 5. Subject to CSRD

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

- Yes
- No

## 3A. Adequacy of Disclosure Requirements - Cross cutting standards (1/2)

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

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

A complete index of Disclosure Requirements and their corresponding Application Guidance can be found in Appendix I – Navigating the ESRS.

### DR 2-GR 1 – General characteristics of the sustainability reporting of the undertaking

The undertaking shall give general information about (i) its sustainability report, and (ii) the structure of its sustainability statement.

The principle to be followed under this disclosure requirement is to give the necessary context of the sustainability reporting of the undertaking.

**Q1: Please, rate to what extent do you think DR 2-GR 1 – General characteristics of the sustainability reporting of the undertaking**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Regarding the presentation option, we would recommend allowing also for integrated reporting at least as an option.

See also our answer to Q.11.

## **DR 2-GR 2 – Sector(s) of activity**

The undertaking shall provide a description of its significant activities, headcount and revenue.

The principle to be followed under this disclosure requirement is to allow an understanding of the distribution of the undertaking's activities by reference to a common sector definition.

**Q2: Please, rate to what extent do you think DR 2-GR 2 – Sector(s) of activity**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
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For part E: Should not be too granular, e.g. headcount by country splits not necessarily material, revenue breakdown per sector and country often not material and no clear link to ESG; likely redundant to information already provided, integrated reporting must be possible for such overarching information.

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

As the sector-specific standards SEC 1 have not yet been published, it is questionable to refer to a common sector definition in DR2-GR 2.

## **DR 2-GR 3 – Key features of the value chain**

The undertaking shall describe its value chain.

The principle to be followed under this disclosure requirement is to provide an understanding of the value chain in which the undertaking operates, from the initial inputs into a product or service, in the upstream supply chain, to its downstream delivery to end-users, including ultimate disposal, recycling or reuse for physical products.

**Q3: Please, rate to what extent do you think DR 2-GR 3 – Key features of the value chain**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



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

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The information required in this disclosure requirement appears very broad. While the information on the value chain finds application in the CSRD, we would like to recall that the same directive provides that standards shall avoid disproportionate administrative burden on undertakings and take account of the difficulties that undertakings may encounter in gathering information from actors throughout their value chain, especially from those which are not obliged to report sustainability information. It should also be considered that, again according to the directive, the information must be of quality and thus based on solid data and established, reliable methodologies. Therefore, information on value chain must be proportionate and relevant to the scale and complexity of the activities and should be defined more precisely.

In this light, we believe that the disclosure requirement shall be more detailed, regarding only those companies in the value chain that have a relevant and established relationship over time with the company preparing the Sustainability Report, whose information must be considered based on a materiality analysis to understand the impacts, risks, opportunities of the company.

Moreover, information on the value chain, by its very nature, is not directly available to companies that may encounter difficulties even where collaborative arrangements are in place (think of the case of companies using a dense network of small to medium-sized suppliers). Where this information is not available, company should be allowed to omit it, since the information produced risks not to meet the quality criteria requested by the directive.

## **DR 2-GR 4 – Key drivers of the value creation**

The undertaking shall describe how it creates value.

The principle to be followed under this disclosure requirement is to provide an understanding of the key drivers of value creation the undertaking is leveraging to contribute to the overall performance of the value chain it operates in taking account of the respective interests of all stakeholders.

**Q4: Please, rate to what extent do you think DR 2-GR 4 – Key drivers of the value creation**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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

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The definition of “key drivers of the value creation” is unclear: in particular, it is not clear whether the information regards intangibles, information that is covered in the financial reporting or not, information that could also be of confidential nature. Further guidance would be needed as to what is required and in what granularity. The level of granularity should consider the usefulness for the data user. Also, standard uses a very complicated language, risking a misinterpreted reporting (and also a potential misunderstanding on the data user side). We would strongly recommend simplifying the language.

## **DR 2-GR 5 – Using approximations on the disclosure in relation to boundary and value chain**

Following the principle on boundaries and value chain of ESRS 1 when the undertaking has used peer group information or sector data to approximate missing data due to impracticability, it shall disclose:

1. Its basis for preparation for the relevant disclosure and indicators, including the scope for which an approximation has been used; and
2. The planned actions to reduce missing data in the future.

**Q5: Please, rate to what extent do you think DR 2-GR 5 – Using approximations on the disclosure in relation to boundary and value chain**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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

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

Please refer to our answers to Q. 28 and Q. 29.

This DR should be removed and be a principle in ESRS 1 only – this would be more aligned with ISSB approach. Centralized disclosure only makes sense where this applies to the entire sustainability statements. It is unclear, what granularity would be expected about the “planned actions” – the concept of materiality should be applied and limit the level of detail. The usefulness for the data user needs to be considered.

## **DR 2-GR 6 – Disclosing on significant estimation uncertainty**

Following the principle of estimating under conditions of uncertainty in ESRS 1, the undertaking shall:

1. identify metrics it has disclosed that have a significant estimation uncertainty, disclose the sources and nature of the estimation uncertainties and the factors affecting the uncertainties, and
2. identify and disclose the sources of significant uncertainty and the factors affecting these sources of uncertainty when explanations of possible effects of a sustainability factor relate to possible future events about which there is significant outcome uncertainty.

**Q6: Please, rate to what extent do you think DR 2-GR 6 – Disclosing on significant estimation uncertainty**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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

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

Please refer to our answers to Q. 28 and 29.

This DR should be removed and be a principle in ESRS 1 only – this would be more aligned with ISSB approach. Centralized disclosure only makes sense where this applies to the entire sustainability statements. It is unclear, what granularity would be expected – the concept of materiality should be applied and limit the level of detail. The usefulness for the data user needs to be considered.

## **DR 2-GR 7 – Changes in preparation and presentation**

Following the principle on changes in preparation or presentation of ESRS 1, the undertaking shall explain changes in preparation and presentation by disclosing:

1. the description of the methodology used for the restatement;
2. the difference between the amount reported in the previous period and the revised comparative amount in case of quantitative metrics;
3. the reasons for the change in reporting policy; and
4. if it is impracticable to adjust comparative information for one or more prior periods, the undertaking shall disclose this fact and the reason why.

**Q7: Please, rate to what extent do you think DR 2-GR 7 – Changes in preparation and presentation**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



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

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

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

This DR should be removed and be a principle in ESRS 1 only – this would be more aligned with ISSB approach. Centralized disclosure only makes sense where this applies to the entire sustainability statements (e.g. change in presentation option of sustainability statements).

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

## **DR 2-GR 8 – Prior period errors**

Following the principles on errors in ESRS 1, if applicable, the undertaking shall disclose the following for prior period errors:

1. the nature of prior period errors;
2. for each prior period disclosed, to the extent practicable, the amount of the corrections; and
3. if retrospective restatement is impracticable for a particular period, the circumstances that led to the impracticability and a description of how and when the error was corrected.

**Q8: Please, rate to what extent do you think DR 2-GR 8 – Prior period errors**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
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**Please share any comment and suggestion for improvement you might have relating to the above questions, referring explicitly to the part of the question you are providing comment to**

This DR should be removed and be a principle in ESRS 1 only – this would be more aligned with ISSB approach.

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

## **DR 2-GR 9 – On other sustainability reporting pronouncements**

The undertaking shall disclose if it also reports in full or in part in accordance with generally accepted sustainability reporting pronouncements of other standard setting bodies and non-mandatory guidance including sector-specific, in addition to its report prepared according to ESRS. It shall disclose if such reporting is included in its sustainability statements.

**Q9: Please, rate to what extent do you think DR 2-GR 9 – On other sustainability reporting pronouncements**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

## **DR 2-GR 10 – General statement of compliance**

The undertaking shall provide a statement of compliance with ESRS.

The principle to be followed under this disclosure requirement is to inform the users about the compliance with ESRS requirements, following mandated disclosure requirements complemented by entity-specific disclosures.

**Q10: Please, rate to what extent do you think DR2-GR 10 – General statement of compliance**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Par. 30(b) should be removed as (b)(i) is implied by (a)(i), (b)(ii) is covered by DR ESRS 2-IRO1 and par. 30 (b)(iii) would be covered by DRs ESRS 2-GR 5-8.

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## **3A. Adequacy of Disclosure Requirements - Cross cutting standards**

### **(2/2)**

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#### **DR 2-SBM 1 – Overview of strategy and business model**

The undertaking shall provide a concise description of its strategy and business model as a context for its sustainability reporting.

The principle to be followed under this disclosure requirement is to provide relevant contextual information necessary to understanding the sustainability reporting of the undertaking. It is therefore a reference point for other disclosure requirements.

**Q11: Please, rate to what extent do you think DR 2-SBM 1 – Overview of strategy and business model**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

For part E: Should not be too granular; likely redundant to information already provided, integrated reporting must be possible for such overarching information.

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

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

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

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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Should not be too granular; likely redundant to information provided elsewhere as many DRs require information on how stakeholders were involved (e.g. on different policies), integrated reporting must be possible for such overarching information. Duplications must be avoided.

We suggest a limitation of reporting to “key stakeholders” as completeness of all stakeholders for an international acting company is unreasonable (particularly when it comes to assurance) with regard to cost /benefit and does not add additional value for data users.

## **DR 2-SBM 3 – Interaction of impacts and the undertaking’ strategy and business model**

The undertaking shall describe the interaction between its material impacts and its strategy and business model.

The principle to be followed under this disclosure requirement is to provide an understanding of material impacts on people and the environment and the adaptation of its strategy and business model to such material sustainability impacts.

**Q13: Please, rate to what extent do you think DR 2-SBM 3 – Interaction of impacts and the undertaking’ strategy and business model**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

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

## **DR 2-SBM 4 – Interaction of risks and opportunities and the undertakings’ strategy and business model**

The undertaking shall describe the interaction between its material risks and opportunities and its strategy and business model.

The principle to be followed under this disclosure requirement is to provide an understanding of material risks and opportunities related to sustainability matters that originate from or are connected to the undertakings’ strategy and business model and the adaptation of its strategy and business model to such material risks and opportunities.

**Q14: Please, rate to what extent do you think DR 2-SBM 4 – Interaction of risks and opportunities and the undertakings’ strategy and business model**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Unclear how DR should be applied in practice. Further guidance is needed.

Should not be too granular, i.e. by no means at risk or opportunity-level.

How should the interaction be presented? There are different standards requiring the disclosure of risks and opportunities. E.g. ESRS E1 requires undertakings to disclose their material physical and transition risks and opportunities.

Duplications have to be avoided.

The level of detail required should be calibrated by what is decision-useful information for data users.

## **DR 2-GOV 1 – Roles and responsibilities of the administrative, management and supervisory bodies**

The undertaking shall provide a description of the roles and responsibilities of its governance bodies and management levels with regard to sustainability matters.

The principle to be followed under this disclosure requirement is to provide an understanding of the distribution of sustainability-related roles and responsibilities throughout the undertaking's organisation, from its administrative, management and supervisory bodies to its executive and operational levels, the expertise of its governance bodies and management levels on sustainability matters, and the sustainability-related criteria applied for nominating and selecting their members.

**Q15: Please, rate to what extent do you think DR 2-GOV 1 – Roles and responsibilities of the administrative, management and supervisory bodies**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The information required is too granular and shall be simplified.

The information regarding the nomination and selection process goes beyond the scope of the CSRD (par. 52(d)); also information about the changes in the allocation of responsibilities in case of changes in the strategy and business model appears too detailed and specific, (par. 53).

The requirement to describe the sustainability related expertise of each individual member goes too far and against the collegiality of the board. Each member is not necessarily expert in sustainability. In fact, it is up to the company to identify the managerial and professional profiles considering the sectorial features of the company itself (e.g., see the Italian Corporate Governance Code, Recommendation 23). The description should therefore be the “competence” (which would refer to their experience) rather than the “expertise” of the administrative, management and supervisory bodies as a whole or its individual members on sustainability matters.

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

Interaction with other regulations has to be made clear. E.g. if information is currently presented in the corporate governance report; as mentioned in our responses to G1 and G2, it is necessary to ensure that listed companies can cross-reference to those documents, even when they are separated from the management report.

## **DR 2-GOV 2 – Information of administrative, management and supervisory bodies about sustainability matters**

The undertaking shall describe how its governance bodies are informed about sustainability matters. The principle to be followed under this disclosure requirement is to provide an understanding of how governance bodies and management level senior executives are informed about sustainability-related facts, decisions and/or concerns that are within their responsibility so that they can effectively perform their duties in that respect.

**Q16: Please, rate to what extent do you think DR 2- GOV 2 – Information of administrative, management and supervisory bodies about sustainability matters**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

This requirement is asking for a level of granularity that seems to go beyond what is needed for data users to understand how the entity is organizing roles and responsibilities. Moreover, the information required overlap with both cross-cutting and topic disclosure requirements, facing the concrete risk of being redundant.

Instead of asking for the process followed by each governance body and individual with the company, we believe that information regarding their tasks, including on ESG issues, shall be enough.

Management level senior executives should be excluded from the scope (e.g par. 55)

### **DR 2-GOV 3 – Sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies**

The undertaking shall provide a description of the sustainability matters that were addressed by its administrative, management and supervisory bodies during the reporting period.

The principle to be followed under this disclosure requirement is to provide information on whether the administrative, management and supervisory bodies were adequately informed of the material sustainability-related impacts, risks and opportunities arising or developing during the reporting period. Equally what information and matters it actually spent time addressing, and whether it was able to fulfil its roles and responsibilities, as defined in its mandate and described under DR 2-GOV 1.

**Q17: Please, rate to what extent do you think DR 2- GOV 3 – Sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The description of sustainability matters can only take the form of a general presentation regarding subjects publicly disclosed without referring to any sensitive information or confidential project. An annual reporting obligation cannot require to provide information on any decision-making process that could regard any ESG issue.

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

## **DR 2-GOV 4 – Integration of sustainability strategies and performance in incentive schemes**

The undertaking shall provide a description of the integration of sustainability strategies and performance in incentive schemes.

The principle to be followed under this disclosure requirement is to provide an understanding of how members of the administrative, management and supervisory bodies are incentivised to properly manage the undertaking’ sustainability impacts, risks and opportunities and, along with other employees, to take steps towards implementing the sustainability strategy of the undertaking.

**Q18: Please, rate to what extent do you think DR 2- GOV 4 – Integration of sustainability strategies and performance in incentive schemes**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

There may be an overlap with G1-DR6 which shall be avoided with the elimination of this latter (namely the G1-DR6, which goes far beyond the scope of the CSRD). Please refer to our answer to Q. 122 (where we asked for the elimination of the G1-DR6 altogether).

Secondly, this information poses a significant question for listed companies who already provide such information in the remuneration policy: a clear possibility of cross-reference to such document that is not part of the management report shall be provided.

Finally, the information required in par. 64 should be limited to corporate bodies and not extended to senior executives (not defined) or head of departments (AG 50)

## **DR 2-GOV 5 – Statement on due diligence**

The undertaking shall disclose its general assessment regarding how it embeds the core elements of due diligence.

**Q19: Please, rate to what extent do you think DR 2- GOV 5 – Integration of sustainability strategies and performance in incentive schemes**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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See our answer to Q. 1.

As pointed out with regard to ESRS 1, also this disclosure requirement seems to cross the fine line between only being a reporting requirement and requiring compliance with an underlying duty, which can clearly not be the role of the ESRS.

CSRD only deals with disclosure requirements and the ESRS shall therefore not impose an obligation “to do” and shall be drafted accordingly. Moreover, the standards should not anticipate the future directive on due diligence.

## **DR 2-IRO 1 – Description of the processes to identify material sustainability impacts, risks and opportunities**

The undertaking shall provide a description of its processes to identify its sustainability impacts, risks and opportunities and assess which ones are material.

The principle to be followed under this disclosure requirement is to provide information on (i) how the undertaking is organising its identification and assessment and (ii) what is in the scope of its identification and assessment of sustainability matters.

**Q20: Please, rate to what extent do you think DR 2-IRO 1 – Description of the processes to identify material sustainability impacts, risks and opportunities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The required disclosures appear too detailed and barely decision-useful information for data users. Regarding 74 (d) we do not think this is a necessary information. From our point of view information of the latest and future revision dates are too detailed and shouldn't be required. The management report should focus on material information, cluttering shall be avoided so that the material information is not obscured. Also, it should be considered that the level of granularity has an impact on the efforts and costs needed for the assurance.

## **DR 2-IRO 2 – Outcome of the undertaking’s assessment of material sustainability impacts risks and opportunities as identified by reference to and in compliance with sector-agnostic and sector-specific level ESRS**

The undertaking shall provide a description of the outcome of its assessment processes by reference to mandatory disclosures under ESRS.

The principle to be followed under this disclosure requirement is to give a clear statement of sustainability matters, as addressed by all ESRS, that are material for the undertaking, and to give relevant explanations on (i) how the undertaking related to the material impacts, risks and opportunities identified by its assessment, (ii) when the undertaking has or will put in place initiative to modify its strategy and business model, in order to reduce or eliminate the risk or to benefit from the opportunity and/or in order to prevent and mitigate negative material impacts and enhance positive material impacts (see DR 2-SBM3 and 4), why this was the case and (iii) if and why certain mandatory disclosures are not material under the undertaking’ specific facts and circumstances and therefore disclosed as such.

**Q21: Please, rate to what extent do you think DR 2-IRO 2 – Outcome of the undertaking’s assessment of material sustainability impacts risks and opportunities as identified by reference to and in compliance with sector-agnostic and sector-specific level ESRS**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The DRs IRO-2 and IRO-3 of ESRS 2 would require centralized disclosure of IROs across topics, which would lead to a significant need for cross-referencing when policies, targets, action plans and performance measures related to those IROs are separately disclosed under the topical standards, creating fragmentation and complexity.

The disclosure of information of negative impacts through its business relationships seem quite complex.

## **DR 2-IRO 3 – Outcome of the undertaking’s assessment of material sustainability impacts risks and opportunities that are not covered by and ESRS (entity-specific level)**

The undertaking shall provide a description of the outcome of its assessment process in relation to material impacts, risks and opportunities that are not addressed under mandatory disclosure and require entity-specific disclosure.

The principle to be followed under this disclosure requirement is to provide information (i) about all material impacts, risks and opportunities of the undertaking resulting from the undertaking’s specific facts and circumstances for which relevant disclosure requirements do not exist, and (ii) when the undertaking has or will put in place initiatives to modify its strategy and business model, in order to reduce or eliminate the risk or to benefit from the opportunity and/or in order to prevent and mitigate negative material impacts and enhance positive material impacts (see DR 2-SBM 3 and 4), about such impacts, risks and opportunities. For each sustainability matter in the scope of sustainability reporting, the undertaking shall assess which material impacts, risks and opportunities are not covered by ESRS and shall give rise to entity-specific disclosure.

**Q22: Please, rate to what extent do you think DR 2-IRO 3 – Outcome of the undertaking’s assessment of material sustainability impacts risks and opportunities as identified by reference to and in compliance with sector-agnostic and sector-specific level ESRS**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The DRs IRO-2 and IRO-3 of ESRS 2 would require centralized disclosure of IROs across topics, which would lead to a significant need for cross-referencing when policies, targets, action plans and performance measures related to those IROs are separately disclosed under the topical standards, creating fragmentation and complexity.

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

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

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

A complete index of Disclosure Requirements and their corresponding Application Guidance can be found in Appendix I – Navigating the ESRS.

### **DR E1-1 – Transition plan for climate change mitigation**

The undertaking shall disclose its plans to ensure that its business model and strategy are compatible with the transition to a climate-neutral economy and with limiting global warming to 1.5 °C in line with the Paris Agreement.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the transition plan of the undertaking and its compatibility with limiting global warming to 1.5°C.

**Q23: Please, rate to what extent do you think DR E1-1 – Transition plan for climate change mitigation**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The presentation of a transition plan is a realistic requirement that must be met. However, the fact that the plans depend on other influencing factors, such as market developments, subsidies, border adjustment mechanisms, regulatory changes and climate strategies not yet outlined, does not seem to be considered. On the other hand, those factors are of fundamental importance, since the recipient of the information must know under what conditions that plan must be met. In defining the goal of the draft standard, climate change mitigation refers to corporate efforts to keep the temperature increase well below 2 °C and to continue efforts towards 1.5 °C. However, the disclosure requirements require that the climate change mitigation transition plan is aimed at setting transition targets at 1.5 °C.

In this sense, we suggest to clearly indicate, in DR E1-1, the reference to the 'well below 2 ° C' as a benchmark in an improvement trajectory, also because many companies also have Science Based objectives set at that level and, moreover, for some sectors (such as Oil & Gas, see comment below) there are still no targets developed at 1.5 ° C. We therefore consider critical the obligation to declare the alignment of their objectives with the 1.5 °C scenario. A more flexible approach, also considering the application guidelines, according to which the company does not have or does not yet have a transition plan that ensures compatibility with limiting global warming to 1.5 °C and achieving net-zero greenhouse gas emissions by 2050 at the latest, provides an explanation of its climate change mitigation ambitions and whether and when it will adopt a transition plan.

More generally, we note that asking for financial quantifications and including them in a sustainability report without defining a methodology creates several obstacles.

We also note that the draft broadens the scope of the proposed Due Diligence Directive, which requires only some companies to adopt a transition plan for climate change mitigation (Article 15). E1-1, par.15, requires an explanation of the financial resources to support the implementation of the transition plan; it should be clear that the explanation of the financial resources to implement the transition plan is not quantitative, otherwise it would go far beyond the financial issues of the Budget.

E1-1, 15a: It is unclear how alignment with limiting global warming to 1.5 °C should be explained and what methods and tools should be used to assess this alignment.

E1-1, 15d: "Blocked greenhouse gas emissions" entail high uncertainties, especially in the energy sector due to volatile load factors from power plants. It is not clear how a significant figure can be calculated. The information should be sector-specific and limited to high-impact activities. Paragraph 4 expressly limits the scope of the disclosure requirements to the seven GHGs. However, paragraph 4 itself adds "other impacts on climate change. The reference to "other impacts" should be deleted or at least clearly defined. The concept of "blocked emissions": it is not possible to hypothesize the future emission intensity of company activities and products as it is not possible to know the context in which companies will move in 2050.

Regarding AG17 (d): we consider it important to assess climate exposure even in lower emission scenarios (RCP 2.6 and RCP 4.5).

AG 22 "In addition, the enterprise describes the current and expected effects of such impacts, risks and opportunities on its value chain": it is not clear what the expected effects mean, if it refers to the impact of future climate scenarios on current activities, it would be difficult to provide an accurate and comparable assessment since companies will implement adaptation measures to avoid the increase in additional risks and the assessment will be largely influenced by hypothesis. It would be much more useful to disclose the adaptation processes and measures that are part of the company's overall climate strategy. Regarding the AP point on ESRS 2-GOV 4 we would like to stress the importance of well-functioning carbon taxation and exchange mechanisms that can provide short- and medium-term predictability to support market efficiency, as well as strong long-term price signals to support investment and innovation.

Overall, there is no clearer explanation of some of the terms used in the text, how companies are expected to implement them and how to recognize them in short-, medium- and long-term balance sheets. Importantly, the disclosure of such detailed information could be very burdensome for businesses and that at least a step-by-step approach should be implemented. In addition, the standard requires an excessive level of granularity for companies, would not be a useful decision for investors, risks obscuring material information and is not in step with other comparable international standards.

## **DR E1-2 – Policies implemented to manage climate change mitigation and adaptation**

The undertaking shall disclose its policies related to climate change mitigation and its policies related to climate change adaptation.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking monitors and manages its GHG emissions, climate-related physical and transition risks and opportunities throughout the value chain.

**Q24: Please, rate to what extent do you think DR E1-2 – Policies implemented to manage climate change mitigation and adaptation**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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- It is difficult to cover the entire value chain. This part could be included in priority 2 during the discussion on gradual introduction.
- We are not aware of any (additional) reporting obligations regarding policy reporting.

### **DR E1-3 – Measurable targets for climate change mitigation and adaptation**

The undertaking shall disclose the climate-related targets it has adopted.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the targets the undertaking has adopted to support its climate change mitigation and adaptation policies and address its material climate-related impacts, risks and opportunities.

**Q25: Please, rate to what extent do you think DR E1-3 – Measurable targets for climate change mitigation and adaptation**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

- It could lead to unnecessary granularity of information, without adding advantages. Resource plans do not add value to reporting (as it is irrelevant how many resources are set to achieve goals). The transformation is a complex challenge for many sectors and companies, which requires, among other things, innovation efforts. The information requested here impact commercially sensitive information, since other market participants can find out a great deal of detail about the exact transformation efforts and thus also about innovative achievements. It is also questionable whether such information is appropriate from the point of view of competition law.  
We suggest aligning the timeframe for GHG reduction targets to the Science Based Target Initiative criteria to ensure that corporate targets certified through SBTi are also valid for the CSRD. Paragraph AG29 states that “the undertaking shall select a recent base year preceding the first reporting year of the new target period by a maximum of 3 years”. However, the SBTi offers greater flexibility as it establishes that the choice of base year must be no earlier than 2015.  
Transformation is a complex challenge for many industries and companies, requiring, among other things, innovation efforts. The information requested here has an impact on commercially sensitive information, as other market participants can discover a great deal of detail about the exact transformation efforts and therefore also about the innovative results. It is also questionable whether such information is appropriate from the point of view of competition law. As for the further disclosure of GHG's targets, it is unclear whether this excludes renewable energy certificates. We found that there are conflicting statements, and the lack of clarification could result in companies not buying or conducting greenhouse gas removals.  
•Paragraph 23: SBTi (Science Based Targets initiative) threshold? Sand Scope 3 is above 40%, does it have to have a reduction target?  
•Paragraph 24: The option to disclose greenhouse gas emission reduction targets should also allow for the intensity target (currently absolute value and, if significant, intensity value)  
(c): The exclusion of carbon credits etc. may not be compatible with net zero trajectories for some sectors. It should be allowed, but with the obligation to disclose any inclusion of such tools. In fact, while confirming the commitment to limit the use of carbon offset and removals to the reduction / compensation of residual emissions only, we believe it is appropriate to maintain consistency in the accounting principles used between the carbon neutrality objective by 2050 (which as required by the main net zero scenarios provides for the use of offsets) and the intermediate targets.  
(d): The differences in terms of the base year of targets represent a limit to the comparability of the company's climate objectives. We do not agree with the definition of a base year rolling every 5 years as we do not see its usefulness and believe that it could complicate the comparison between corporate GHG targets and international decarbonization pathways.  
Retroactive adjustment of the base year could lead to inconsistencies due also to the lack of past information. The requirements for the adjustment of the reference year should be suppressed, the standards should not intervene in the main responsibility of the organization. Alternatively, a recommendation should be made.  
In addition, point 24 contradicts with Point 25 where conditions for a net-zero target are fixed - separate measure and reporting of GHG removals and carbon credits shall be possible. Otherwise, net-zero targets will not be possible for companies.  
As chemical activities are often part of the EU-ETS, there is no sector specific emission reduction target for

them, as the EU-ETS target is for the whole EU-ETS target and has no sub-targets for its sectors.

e) Such detailed information may not be available and/or sensitive. In addition, such a granular degree of disclosure would engage management in statements related to the future strategy and reduce flexibility in the choice of decarbonization levers that should instead be updated according to developments in markets, technologies, and policies. It would therefore be advisable not to bind the targets to predefined time intervals, especially in the long term, where the uncertainties related to the scenarios (e.g., market, technological, regulatory) limit the forecasting capabilities of the companies.

f) The request for details on the methodologies applied by companies in the definition of GHG targets does not seem particularly critical to us, as it meets the requests for greater transparency of stakeholders, and it is possible to refer to recognized methodologies (e.g., GHG Protocol) for some technical aspects (e.g., the company's emission perimeter).

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

The undertaking shall disclose its climate change mitigation and adaptation action plans and the resources allocated for their implementation.

The principle to be followed under this Disclosure Requirement is to provide transparency on the key actions taken and planned to achieve climate-related targets and to manage GHG emissions, transition and physical risks and opportunities, supporting the understanding of achieved performance improvements and the credibility of the undertaking's policies, strategy and business model with regards to climate change.



**Q26: Please, rate to what extent do you think DR E1-4 – Climate change mitigation and adaptation act**

	Not at all	To a limited extent with strong reservations	To
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

- Reporting on action plans and resources would be very granular and would require high (internal) resources.  
Sensitive information about future transformation, in relation to monetary effects, should be avoided, as this affects business secrets and provides the market with information relevant to competition.  
Reference should be allowed to publicly available climate transition action plans that have already been published by companies. Otherwise, the nature and scope of this response may be too broad.

## **DR E1-5 – Energy consumption & mix**

The undertaking shall provide information on its energy consumption.

The principle to be followed is to provide an understanding of the undertaking's absolute energy consumption, improvement in energy efficiency and share of renewable energy in its overall energy mix.

**Q27: Please, rate to what extent do you think DR E1-5 – Energy consumption & mix**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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- The information required for the type of energy fuel consumed is very granular. An aggregate figure should be sufficient, thus giving an indication of "sustainable energy consumption"
  - Lack of consistency with the EU Labelling Directive
- The representation of energy consumption allows conclusions to be drawn about the consumption functions of production facilities. This, in combination with various factors (type of energy source, etc.), provides the public with sensitive information on competition law. In addition, a procurement strategy becomes visible

## **DR E1-6 – Energy intensity per net turnover**

The undertaking shall provide information on the energy consumption associated with activities in high climate impact sectors per net turnover of these activities.

**Q28: Please, rate to what extent do you think DR E1-6 – Energy intensity per net turnover**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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- Reporting on energy intensity by activity, to be separated from the "high climate impact sector", could lead to high granularity, with the risk of losing attention on priority fields of action. An aggregate figure – in line with the EU taxonomy – should be sufficient.
- Energy consumption is often accounted for following the GHG protocol and based on this, the basic and historical figures must be recalculated if the reporting scope changes. For example, if a business group sells one of its units, it will need to remove the drive from historical data. On the other hand, net sales are calculated according to IFRS principles, which follow the logic of "frozen books", i.e. historical data are not recalculated. Since the two metrics are created according to different standards, the KPI calculation formula can be displayed as: GHG protocol / IFRS standard. In order to align the KPI with existing standards, our recommendation is to require the use of the "frozen books" method for both energy consumption and net turnover.

We disagree with the information requested in Paragraph 35, that aims at supporting the information needs of financial market participants subject to Regulation (EU) 2019/2088. On one side, the rationale for asking also split information on consumption associated with activities in high climate impact sectors is unclear. We also note that the same split information is not requested for GHG emissions and so the request seems all the more inconsistent.

On the other side, the construction of the index on the basis of turnover is not appropriate as it risks distorting the information in terms of trends and tendencies. In fact, while it may be understandable to have an interest in identifying how much CO<sub>2</sub> emission or energy consumption insist on turnover, the moment we move to an evaluation of the trend it detects not only the increase or decrease in the amount emitted and energy consumption but also the trend from turnover that is connected to the evolution of volumes and prices. As an example, in an extremely volatile sector such as energy, significant changes in turnover may be connected to changes in prices that are not under management's control; the incidence of energy consumption/GHG emission level may be higher or lower between two periods being compared simply as a result of turnover trends, which, as mentioned above, are largely related to exogenous factors and unrelated to the volumes actually produced. This volatility of the denominator linked to variables for the most part exogenous, implies that the incidence of energy consumption / the level of GHG emission may be greater or lower between two periods compared simply due to the effect of the trend of turnover which, as mentioned, is largely linked to exogenous factors and not connected with the volumes actually produced. This circumstance does not allow an adequate reading of trends and does not adequately enhance the efforts of the company in terms of reducing energy consumption / GHG emissions. Therefore, it is suggested to delete the required information.

We therefore suggest deleting the requested information.

Paragraph 37 requires that the company shall disclose a reconciliation of the net turnover reference to the most relevant amount presented in the financial statements. This is a request that requires reconciliation with the data in the financial statements according to criteria whose consistency with the standards for the preparation of the financial accounts should be assessed (the same comment is valid for paragraphs 52, 68 and 72).

In general, paragraphs 35 to 37 require the calculation of the energy intensity ratio, which expresses the total energy consumption associated with activities carried out in sectors with a high climate impact in relation to the net turnover from those activities. While, E1-11, requires to calculate the greenhouse gas emission intensity index ("GHG intensity ratio") which expresses the total GHG emissions compared to net turnover. The principle also requires to give evidence of this index for the current and previous year, as well as to provide a reconciliation of net revenues with the most relevant items in the financial statements. "High Climate Impact" sectors need to be defined. It would be opportune to align with the definitions of economic activities relevant for the climate objectives in the EU Taxonomy.

Finally, as a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

## **DR E1-7 – Scope 1 GHG emissions**

The undertaking shall disclose its gross Scope 1 GHG emissions in metric tons of CO2 equivalent.



**Q29: Please, rate to what extent do you think DR E1-7 – Scope 1 GHG emissions**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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

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

The principle to be followed under this Disclosure Requirement is to provide an understanding of the indirect impacts on climate change caused by the undertaking's consumed energy whether externally purchased or acquired.

**Q30: Please, rate to what extent do you think DR E1-8 – Scope 2 GHG emissions**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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

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

The undertaking shall disclose its gross indirect Scope 3 GHG emissions in metric tons of CO<sub>2</sub> equivalent. The principle to be followed under this Disclosure Requirement is to provide an understanding of the GHG emissions that occur in the undertaking's value chain beyond its Scope 1 and 2 GHG emissions. For many undertakings Scope 3 GHG emissions are the main component of the GHG inventory and an important driver of their transition risks.

**Q31: Please, rate to what extent do you think DR E1-9 – Scope 3 GHG emissions**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

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

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There can be significant variability and little comparability between companies for metrics derived from estimates. Therefore, safe harbor language is required to recognize the uncertainty and estimated nature of the disclosure and thereby protect reporting companies (that used best and good efforts) against sanctions in the event that the estimates turn out to be inaccurate.

In addition, breakdown of Scope 3 emissions should not be made in the mentioned breakdown categories but in the official categories of the GHG protocol.

A focus on the Scope 3 measure at the entity-level fails to account for whether the activity of that entity contributes positively or negatively to societal emissions. For example, a natural gas producer will see its Scope 3 emissions rise if its production grows, notwithstanding that such production will significantly reduce societal emissions by substituting for coal in power generation. Thus, from a societal standpoint – or when viewed on an economy-wide basis – simply adding up all Scope 3 emissions will say little about society's overall emissions trajectory or a company's individual contributions in reducing society's overall emissions. Scope 3 emissions reporting may lead investors to make misguided investment decisions in response to whether an individual company's Scope 3 emissions are increasing or decreasing, notwithstanding that, company-level Scope 3 emissions may in fact be uncorrelated or even inversely correlated to overall societal emissions

In addition, the breakdown of Scope 3 emissions should not be carried out in the categories mentioned, but in the official categories of the GHG Protocol.

In addition, the breakdown of Scope 3 emissions should not be carried out in the categories mentioned, but in the official categories of the Greenhouse Gas Protocol.

Finally, with regard to Scope 3 emissions, to date all major companies in the energy sector include them in their climate disclosure. However, the EFRAG Standard requires more detail than current industry practice (e.g. "disclose the percentage of emissions calculated using primary data obtained from suppliers or other value chain partners")

We therefore suggest aligning the 5 categories proposed in paragraph 46 for Scope 3 emissions with the 15 specific categories of the GHG protocol, as it is the most renowned standard and therefore comparability between all types of companies from different geographical areas (even outside the European Union) will be much easier.

## **DR E1-10 – Total GHG emissions**

The undertaking shall disclose its total GHG emissions in metric tons of CO<sub>2</sub> equivalent.

The principle to be followed under this Disclosure Requirement is to provide an overall understanding of the undertaking's GHG emissions and whether they occur from its own operations or the value chain. The disclosure is a prerequisite for measuring progress towards reducing GHG emissions in accordance with the undertaking's climate-related targets and EU policy goals as well as for the assessment of the undertaking's transition risks.

**Q32: Please, rate to what extent do you think DR E1-10 – Total GHG emissions**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

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

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

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

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

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#### **DR E1-11 – GHG intensity per net turnover**

The undertaking shall disclose its total GHG emissions per net turnover.



**Q33: Please, rate to what extent do you think DR E1-11 – GHG intensity per net turnover**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

GHG emissions are accounted for according to the GHG protocol and, based on this, the basic and historical figures must be recalculated if the scope of reporting changes. For example, if a business group sells one of its units, it will need to remove the drive from historical data. On the other hand, net sales are calculated according to IFRS principles, which follow the logic of "frozen books", i.e. historical data are not recalculated. Since the two metrics are created according to different standards, the KPI calculation formula can be displayed as: GHG protocol / IFRS standard. In order to align the KPI with existing standards, our recommendation is to require the use of the "frozen books" method for both greenhouse gas emissions and net sales in this policy.

See our answer to Q 28. The construction of the index on the basis of turnover is not appropriate as it risks distorting the information in terms of trends and tendencies. In fact, while it may be understandable to have an interest in identifying how much CO<sub>2</sub> emission or energy consumption insist on turnover, the moment we move to an evaluation of the trend it detects not only the increase or decrease in the amount emitted and energy consumption but also the trend from turnover that is connected to the evolution of volumes and prices; as an example in an extremely volatile sector such as energy, significant changes in turnover may be connected to changes in prices that are not under management's control. the incidence of energy consumption/GHG emission level may be higher or lower between two periods being compared simply as a result of turnover trends, which, as mentioned above, are largely related to exogenous factors and unrelated to the volumes actually produced. Paragraph 50: revenue metrics are not as useful for companies in different industries. In the case of Oil & Gas, revenues are particularly impacted by exogenous variables, in particular by the price of commodities. Therefore, we do not believe that revenue-based metrics are representative of companies' progress towards decarbonisation. In addition, all the information to calculate these metrics is already available in standard business reporting. In addition, the issue of GHG removal reporting would have to be discussed as the accounting frameworks and climate disclosure of companies are not yet mature on these aspects. Paragraph 52 requires that the company shall disclose a reconciliation of the net turnover reference to the most relevant amount presented in the financial statements. This is a request that requires reconciliation with the data in the financial statements according to criteria whose consistency with the standards for the preparation of the financial statements should be assessed. In addition, E1-11 requires you to calculate the GHG intensity ratio which expresses the total GHG emissions relative to net turnover. The principle also requires to give evidence of this index for the current and previous year, as well as to provide a reconciliation of net revenues with the most relevant items in the financial statements. The construction of the index on the basis of turnover does not seem appropriate as it risks distorting the information content of the indicator, especially in terms of trend and trend. In fact, if on the one hand it may be understandable the interest in identifying how much CO<sub>2</sub> emissions or energy consumption insist on turnover, on the other hand when we move on to an evaluation of the trend, it detects not only the increase or reduction in the amount of emissions and energy consumption, but also the trend from turnover that is connected to the evolution of volumes and prices. By way of example, in an extremely volatile sector such as the energy sector, significant changes in turnover can be linked to price changes not under the control of management. This volatility of the denominator linked to variables for the most part exogenous, implies that the incidence of energy consumption / the level of GHG emission may be greater or lower between two periods compared simply due to the effect of the trend of turnover which, as mentioned, is largely linked to exogenous factors and not connected with the volumes actually produced. This circumstance does not allow an adequate reading of trends and does not adequately enhance the efforts of the company in terms of reducing energy consumption / GHG emissions. Finally, as a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

## **DR E1-12 – GHG removals in own operations and the value chain**

The undertaking shall disclose GHG removals from own operations and the upstream and downstream value chain in metric tons of CO<sub>2</sub> equivalent.

The principle to be followed under this Disclosure Requirement is to provide in a comparable manner transparency on actions to permanently remove or actively support the removal of GHG from the atmosphere.

**Q34: Please, rate to what extent do you think DR E1-12 – GHG removals in own operations and the value chain**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Guidelines on 'avoided or removed emissions' are needed. Comparability is difficult.  
With reference to the chemical sector, disclosure of GHG emissions upstream the value chain is not possible as the producer of chemicals does not know how their product is used.  
The issue of GHG removal reporting is debatable, as the accounting frameworks and climate disclosure of companies are not yet mature on these aspects.  
We suggest providing further guidance on how companies shall disclose how the risk of non-permanence is managed, including determining and monitoring of leakage.

## **DR E1-13 – GHG mitigation projects financed through carbon credits**

The undertaking shall disclose the amount of GHG emission reductions or removals from climate change mitigation projects outside its value chain it has financed through the purchase of carbon credits.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent and quality of carbon credits the undertaking has purchased from the voluntary market and cancelled in the reporting period.

**Q35: Please, rate to what extent do you think DR E1-13 – GHG mitigation projects financed through carbon credits**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

There is no specification of what exactly is meant for a carbon credit. The explanations in Appendix 1 are not exhaustive.

Here it is not clear whether the reference to Article 6 of the Paris Agreement for corresponding adjustments in paragraph 58, a, iv, includes ETSs even if before it refers to voluntary instruments.

As a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

## **(Optional) DR E1-14 – Avoided GHG emissions from products and services**

The undertaking may disclose its estimated total avoided GHG emissions from its products and services in metric tons of CO<sub>2</sub> equivalent.

The principle to be followed under this optional Disclosure Requirement is to provide transparency on the methodologies used and assumptions made by the undertaking when estimating and communicating about the impacts of their products and services on climate change in comparison to other products and services, or in comparison to a situation where their products and services would not exist, considering that there is currently no generally accepted framework for accounting and reporting on such avoided emissions.



**Q36: Please, rate to what extent do you think DR E1-14 – Avoided GHG emissions from products and services**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

To date, it would not be an easy information to provide by virtue of the ambiguity of the definition of “avoided emission”

## **DR E1-15 – Potential financial effects from material physical risks**

The undertaking shall disclose the estimated potential financial effects from its material physical risks.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how material climate-related physical risks may affect the undertaking’s performance and position over the short, medium and long term, considering that those potential future financial effects may not meet at the reporting date the recognition and measurement criteria set for assets and liabilities.

**Q37: Please, rate to what extent do you think DR E1-15 – Potential financial effects from material physical risks**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The suggested financial estimates would require many assumptions that would likely differ from one company to another. In addition, making these estimates would require a lot of resources in companies. The necessary alignment and harmonisation with IFRS requirements to ensure comparability should be considered.

To properly assess physical risks is fundamental to develop internal skills and tools and leverage on high resolution data, both regarding climate scenario and asset. Even with this level of preparedness, the insufficient quality of data could affect the ability to assess impacts or their accuracy. Furthermore, any assessment has intrinsic uncertainties, differences in data quality or expertise can result in further variation from one company to another. Regarding the requirement to disclose assets under material physical risk, the ambiguity of the definition of material risk can drive to relevant difference from one company to another, even in similar conditions. In fact, any asset is exposed to risk, what changes is the probability of an event at a given intensity. A good way to establish a common starting point is to refer, for the short term, to the historical amount of damages from weather-related events. Then, scenario analysis can shed light on expected future changes in frequency and intensity of physical risks which may not increase the potential expected damages since these analyses inform the adaptation plan that includes measures based on expected changes in physical scenario. Furthermore, regarding the Application Guidance: With reference to DR 15-16-17, there is currently no reference methodology, neither cross-cutting nor sectoral, able to uniquely quantify the risks related to climate, physical and transition, and enhance their impact on the different businesses. Where shared calculation methodologies are lacking, requiring quantitative metrics poses the risk of further fragmentation of disclosures, increasing compliance costs and not improving the quality of the information provided to stakeholders. It is therefore advisable to adopt specific sector guidance on this aspect in order to ensure comparability of the data of the different companies. AG 72-73. Due to the comments above, a quantitative approach to link the current amount in balance sheet could represent only a current exposition based on historical value. Would be useful to clarify how the turnover metrics should be calculated in detail. AG 75 Connectivity with financial reporting: as mentioned above, a reconciliation of material impacts with financial statements is feasible only with historical data. As to the disclosure requirement set forth in Paragraph 66, it appears very questionable, inasmuch it requires to provide information on forward looking financial effects that “may not meet at the reporting date the recognition criteria set for the financial statement”. In order to ensure clarity and consistency of information, we believe that information not included in the financial statement shall not be required in the sustainability reporting. Accordingly, we propose to delete this disclosure requirement altogether. Alternatively, any specific information requirement on the financial effects shall be clearly identified, clarifying the type of information required and the criteria that shall be used for its detection. As to the request in paragraph 67, we note that the requirement for representation of assets and revenues (%) by assets exposed to physical risks is an additional information with respect to the EU Taxonomy regulation and it involves further elaboration and reconciliation with the Financial Statements. The rationale for these additional details is unclear and therefore should be deleted. Paragraph 67, (a) 'Material risk' needs to be properly defined. This can be difficult to assess given impacts can vary greatly (e.g. severe weather as a physical risk from climate change is difficult to segregate from severe weather events without climate change). Paragraph 67, (b). It is not clear how the share (%) of net sales from short-, medium- and long-term material risk businesses is to be calculated. As to paragraph 68, this is a request that requires reconciliation with the data in the financial statements according to criteria whose consistency with the standards for the preparation of the financial statements should be assessed (see our answer to Q28) Finally, as a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

## **DR E1-16 – Potential financial effects from material transition risks**

The undertaking shall disclose the estimated potential financial effects from material transition risks.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how material climate-related transition risks may affect the undertaking's performance and position over the short, medium and long-term, considering that those potential future financial effects may not meet at the reporting date the recognition and measurement criteria set for assets and liabilities.

**Q38: Please, rate to what extent do you think DR E1-16 – Potential financial effects from material transition risks**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The suggested financial estimates would require many assumptions, which would likely differ from one company to another. In addition, making these estimates would require a lot of resources in companies. The necessary alignment and harmonisation with IFRS requirements to ensure comparability should be considered.

As mentioned in the exposure draft itself there are “currently no commonly agreed methodology to assess or measure how climate-related transition risks and opportunities may affect the future financial position and performance of the undertaking”, therefore disclosures could present a high variation of assumptions and lead to a misinterpretation and mis comparison between undertakings efforts towards climate change.

Transition risks are much less tangible and specially their impacts on assets. Also, it is not clear when a transition risk becomes material for the company.

As to paragraph 71, we refer to our answer to Q. 37 concerning paragraphs 66 and 67.

The requirement to provide information on forward looking financial effects that “may not meet at the reporting date the recognition criteria set for the financial statement” is very questionable. To ensure clarity and consistency of information, we believe that information not included in the financial statement shall not be required in the sustainability reporting. Accordingly, we propose to delete this disclosure requirement altogether. Alternatively, any specific information requirement on the financial effects shall be clearly identified, clarifying the type of information required and the criteria that shall be used for its detection.

Paragraph 71, (a) (b) (c): Transitional risk assessments could be qualitative, if this is regulatory requirement need to provide safe harbor language.

Paragraph 72: This is a request that requires a reconciliation with the financial statements according to criteria whose consistency with the standards for the preparation of the budget should be assessed Furthermore, regarding the Application Guidance:

With reference to DR 15-16-17, there is currently no reference methodology, neither cross-cutting nor sectoral, able to uniquely quantify the risks related to climate, physical and transition, and enhance their impact on the different businesses. Where shared calculation methodologies are lacking, requiring quantitative metrics poses the risk of further fragmentation of disclosures, increasing compliance costs and not improving the quality of the information provided to stakeholders. It is therefore advisable to adopt specific sector guidance on this aspect in order to ensure comparability of the data of the different companies.

We also note that the requirement for representation of assets and revenues (%) by assets exposed to physical risks is an additional information with respect to the EU Taxonomy regulation and it involves further elaboration and reconciliation with the Financial Statements. The rationale for these additional details is unclear. Moreover, the additional detail of liabilities (not found in paragraph 67) is introduced here in an incomprehensibly inconsistent way. We suggest do delete it.

As a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

## **(Optional) DR E1-17 – Potential financial effects from climate-related opportunities**



The undertaking may disclose its potential financial effects from climate-related opportunities.

The principle to be followed under this optional Disclosure Requirement is to allow users to understand how the undertaking may financially benefit from material climate-related opportunities. The disclosure is complementary to information requested under the Taxonomy Regulation.

**Q39: Please, rate to what extent do you think DR E1-17 – Potential financial effects from climate-related opportunities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The suggested financial estimates would require many assumptions that would likely differ from one company to another and, therefore, would not provide the markets with comparable and useful information. However, making these estimates would require a lot of resources in companies. ESG-related business opportunities could in some instances be considered competitively sensitive and confidential information. Such information should not be a required disclosure because it could significantly harm the reporting company's ability to compete. Such a disclosure exemption is similar to financial reporting, which does not require disclosures on business opportunities related with the market size for product innovations. Therefore, a legal basis is needed (potentially at the level of the CSRD) for the reporting company to exempt such sensitive/confidential information from its disclosures. Objective E1. 1(b): Would it be possible to leave the reference to the other possible scenario (well-below 2 degrees) recognized by the Paris Agreement (beyond 1.5° scenario). Objective E1. 1(e): Would be useful to define materiality thresholds? As to paragraph 75, it is not clear why only savings opportunities are considered, and no mention is made as to any revenues generated. As a matter of fact, climate-related opportunities may not only be related to cost reduction, but also to that of generating additional revenue (e.g., starting new lines of business) Furthermore, regarding the Application Guidance: With reference to DR 15-16-17, there is currently no reference methodology, neither cross-cutting nor sectoral, able to uniquely quantify the risks related to climate, physical and transition, and enhance their impact on the different businesses. Where shared calculation methodologies are lacking, requiring quantitative metrics poses the risk of further fragmentation of disclosures, increasing compliance costs and not improving the quality of the information provided to stakeholders. It is therefore advisable to adopt specific sector guidance on this aspect in order to ensure comparability of the data of the different companies. As a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

## **E2-1 – Policies implemented to prevent and control pollution**

The undertaking shall disclose its policies related to pollution prevention and control.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking monitors and manages its pollution-related impacts, risks and opportunities.

**Q40: Please, rate to what extent do you think E2-1 – Policies implemented to prevent and control pollution**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

It is difficult to estimate whether the costs are reasonable or not. The cost-benefit ratio will depend on the complexity of the value chain upstream and downstream of the enterprise. The standard requires a very significant number of information and could be simplified. A first issue of concern regards the materiality of the information required: while other environmental disclosure standards clearly distinguish between physical and transitional risks, this distinction does not appear clear in all E2 disclosure standards. A second issue of concern regards the fact that the disclosure standard, among the basic content of the policies and information thereof, requires to provide information on the mitigation of negative impacts and the maximisation of its positive impacts in its own operations and throughout the upstream and downstream value chain, which appears to go beyond the scope of the CSRD and is likely to be very burdensome especially where a very dispersed value chain with smaller companies is involved. In general, a policy referring to the entire value chain does not seem to appear viable; it should involve only company's direct suppliers and clients. Moreover, the information related to the value chain on pollution issues requires a gradual approach to enable companies to implement appropriate systems for collecting and monitoring the required data. In this regard, while for direct impacts companies have opportunities to remedy the lack of standards with independent choices and approaches, for the supply chain the lack of standards and reference tools represent objective criticalities in responding to requirements. It is suggested that the introduction of value chain requirements be postponed to a later stage so that companies can adapt processes and systems for data collection and monitoring. Paragraph 20, (a): while the link of policies to responsible sourcing for the upstream value chain is clear, it is unclear which policies could effectively describe and govern the downstream use of products by consumers. Paragraph, 26 (c) (d): requiring reporting on measurement processes should not be part of a disclosure requirement on 'policies' about spill protection and groundwater protection. Additionally, details on material cost are competitively sensitive information and reporting should not be required. Also, reporting on such numbers could potentially lead to harm of the reporting company's competitive situation. As a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

## **DR E2-2 – Measurable targets for pollution**

The undertaking shall describe the pollution-related targets it has adopted.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the targets the undertaking has adopted to support its pollution-related policies and address its material related impacts, risks and opportunities.

**Q41: Please, rate to what extent do you think DR E2-2 – Measurable targets for pollution**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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Some projects have a high level of granularity, which is not very reasonable for the advantages they bring (e.g. AG 17 or AG 21).

Measurable targets may not be material for a company for air/water/soil pollution, substances of concern, harmful substances. It is therefore proposed to insert the following sentence: "everything that is material for the reporting organization".

The standard requires a very significant number of information and could be simplified.

In particular, we observe that information required goes beyond the current international best practices (e.g., GRI) and refer to a still incomplete EU legal framework, such as, for example, the Strategy on sustainable products which, among other things, also through the so-called "digital passport of products", will impose a series of information that also concerns the polluting potential of products. In order to prevent inconsistencies, this information requirement shall be largely simplified. Moreover, some of the information requirement appear to be due only for certain industry sectors and would not represent a "sector-agnostic" standard.

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

As a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

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AG 10 (a) and (b): If benchmarks are present, there is no indication in the document of the form in which they are to be presented. In addition, the procedure to be followed in the event that benchmarks are not present is not indicated.

## **DR E2-3 – Pollution action plans and resources**

The undertaking shall disclose its pollution-related action plans and the resources allocated to their implementation.

The principle to be followed under this Disclosure Requirement is to provide transparency on the key actions taken and planned in order to achieve its pollution-related policy objectives and targets.

**Q42: Please, rate to what extent do you think DR E2-3 – Pollution action plans and resources**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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As far as action plans are concerned, the information required regarding the resources allocated is not relevant (it would be relevant whether/how the objectives are achieved, and not how many people are working towards achieving the objectives). The disclosure of information on resource plans therefore does not entail any added value for interested parties. Moreover, it is likely that each company will have its own interpretation of this definition, thus limiting its comparability. The standard requires a very significant number of information and could be simplified. In some cases, the information required goes beyond the current international best practices (e.g. GRI recommend but do not require reporting on budget allocation).

Paragraph 31, (a): CBI and competitiveness of companies could be damaged

Paragraph 31, (b): while sites operated by the undertaking (like manufacturing plants) should be expected to work with key stakeholders in the surrounding communities, these could be dozens or more sites at a consolidated level. It is difficult to see how systemic reporting on stakeholder engagement by site could look like in practice.

As a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

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

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### **DR E2-4 – Pollution of air, water and soil**

The undertaking shall disclose information on a list of pollutants that are generated or used during production processes or that are procured, and that leave its facilities as emissions, as products, or as part of products or services.

The principle to be followed under this Disclosure Requirement is to provide transparency on the emissions that the undertaking generates.

**Q43: Please, rate to what extent do you think DR E2-4 – Pollution of air, water and soil**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The standard requires a very significant number of information and could be simplified. In some cases, the information required goes beyond the current international best practices (e.g. identification of air, water and soil pollutants, contextual information, detailed information for specific sectors that are subject to IED and BREFs; in this latter case, even if disclosure standards require information only for companies subject to these regulations, the introduction of macro sector-specific information appears in contrast with its sector-agnostic approach).

Furthermore, the absence of clear methodologies and standards for collecting data can lead to issues of comparability of information reported by companies. This particularly true with regard of the list of pollutants to be reported under the “Disclosure Requirement E2-4 – Pollution of air, water and soil” - paragraph 34, [...] the pollutants to be disclosed by the undertaking shall comprise those listed in Annex II of the E-PRTR Regulation, to be grouped in accordance with paragraph AG 15 if the undertaking meets or exceeds the threshold for releases stipulated in Annex II of the E-PRTR Regulation within the reporting period. This threshold shall be assessed at the level of the undertaking, and not individually for each facility. Moreover, the level of details required can lead an excessive overload of information to be reported by the entity, considering the all the information are already required by the facility.

Paragraph 36(d): It is unclear what is meant by "where relevant". Does this mean that the pollutants are to be considered as materials or do you mean the relevance of the potentially affected area or the relevance of the impact on the area? Specification is needed. Beside this, estimating the land or water affected is complex. Approaches to estimate this might vary and accuracy might also differ. For instance, the metric should not focus on absolute measures which will largely be a function of total company size, but on index vs. target or vs. a baseline year

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

Paragraph 37(c): The definition of water stress is not given in the document. In addition, there are no calculation instructions for the air of interest.

According to the World Health Organization 2015:

1000 < x < 1700 m3 water stress  
500 < x < 1000 m3 deficit  
X < 500 impediment to development

There are no indications on this.

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

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AG 15 (b) and (c):

- How should pollutants be measured?
- Are there any specific analyses for their measurement?
- How should small businesses proceed?

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

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

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

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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Sustainability and hazardous substances are not mutually exclusive, especially since the functionality or reactivity of chemical substances required for certain uses and processes is often inextricably linked to their hazardous properties. It is important to strengthen the safe and sustainable use of classified substances while also identifying and excluding specific, unacceptable risks. An assessment of the sustainable use of chemicals must therefore take into account their entire life cycle and, in addition to their impact on humans and the environment, the benefits and economic viability of their use.

Paragraph 41: These are very complex requests to be applied, especially if a criterion of relevance of the use of harmful substances in the context of an activity is not defined. In the current formulation, activities that use a few grams or large quantities of a harmful substance are considered in the same way, with a negative effect for those companies that are reducing the use of that substance in their commercial activity. In addition, disclosure requirements listed in (41 b) and (41c) are of high granularity while reporting would require a lot of internal resources with questionable added value for external stakeholders. This disclosure might be in conflict with competition rules.

In particular, the proposed disclosure requirement of % turnover of Most Harmful Substances and % turnover of Substances of Concern go even beyond the preliminary recommendations of the EU Platform. What is more relevant from a sustainability perspective is companies should be showing progress towards the EU ambitions of phasing out of MHS and minimizing use of SoC as much as possible and relevant depending on their activities. This engagement could and should be demonstrated through an active reporting transparency of how they are using and applying sustainable portfolio assessment to steer their portfolios in the desired direction.

The standard requires very complex information and does consider any relevant threshold for considering the significance of the use of substances of concern and most harmful substances. The absence of any threshold implies that companies that use one gram or a ton of such substances would be treated in the same way, with a negative effect for those firms that are reducing the use of such substance in their business activity.

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AG 23: Considering that other standards also require the presentation of similar data through tabular form, the risk is to produce an excessively articulated reporting.

## **DR E2-6 – Pollution-related incidents and deposit impacts and risks, and financial exposure to the undertaking**

The undertaking shall disclose the impact of and its financial exposure to pollution-related incidents and deposits.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how principal pollution-related incidents and deposits may affect the environment and society and/or the undertaking's development, performance and position over the short-, medium- and long-term.

**Q45: Please, rate to what extent do you think DR E2-6 – Pollution-related incidents and deposit impacts and risks, and financial exposure to the undertaking**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



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

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

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

If a company suffers a substantial financial impact due to pollution-related incidents, reporting obligations already exist. Therefore , this information requirement is redundant.

## **DR E2-7 – Financial effects from pollution-related impacts, risks and opportunities**

The undertaking shall disclose the financial effects of the risks and opportunities arising from pollution-related impacts and dependencies.

The principle to be followed under this Disclosure Requirement is to an understanding of the effects of risks and opportunities, arising from the undertaking's pollution-related impacts and dependencies, on the undertaking's development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value.

**Q46: Please, rate to what extent do you think DR E2-7 – Financial effects from pollution-related impacts, risks and opportunities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The assessment of potential impacts is difficult to implement, in addition, there is already legislation for this information obligation (for financial information).

Assessing the potential financial impacts of environmental consequences, risks and opportunities is sometimes difficult to assess quantitatively.

This disclosure requirement appears very questionable, inasmuch it requires to provide information on forward looking financial effects that “may not meet at the reporting date the recognition criteria set for the financial statement”. In order to ensure clarity and consistency of information, we believe that information not included in the financial statement shall not be required in the sustainability reporting. Accordingly, we propose to delete this disclosure requirement altogether.

Alternatively, any specific information requirement on financial effects should be clearly identified, clarifying the type of information required and the criteria to be used to identify it. For example, the taxonomy approach with pollution level thresholds could be used for impact assessment. In addition, the requirement should be supported by sectoral guidelines to allow companies to operationally decline these requirements and enable the application of a uniform standard within sectors.

Paragraph 50. Nice but difficult to be measured all together (pollution is a high concept, linked to local legislations and limits).

Objective E2. Par. 7: Are REACH elements out of scope?

## **DR E3-1 – Policies implemented to manage water and marine resources**

The undertaking shall disclose its policies related to water and marine resources<sup>2</sup>.

The principle to be followed under this disclosure requirement is to provide an understanding of how the undertaking monitors and manages its material water and marine resources impacts, risks and opportunities.

**Q47: Please, rate to what extent do you think DR E3-1 – Policies implemented to manage water and marine resources**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

- As for suppliers, reporting would be difficult with an extended demand for resources. It is suggested to focus on priority topics and own operations of companies. Disclosure requirements shall include the ratio of commitments for water resources throughout the value chain, upstream and downstream, according to the assessment of materiality to be made, including suppliers. This would create a huge reporting burden for a reporting organization. It is proposed to address the first "simple" topics and where there is already an established practice, to subsequently extend the scope of application (after gaining experience with priority topics) in order not to overload the reporting companies.
- There is no distinction between physical and transient risks.
- There is no adequate definition of "marine resources".
- Paragraph 13(b): It is necessary to specify the level to be achieved in the supply chain. How deep should the screening take? Should the actual consumption of the supplier also be investigated?
- Paragraph 14, (a): Will it be a list? The analysis of the pollution load depends on local authorities and laboratories.

The disclosure requirements should find application on a materiality basis. Par. 15 does not seem to be consistent with this materiality assumption, inasmuch it requires companies to establish a policy if at least one of the sites of the undertaking is located in an area of high-water stress: this condition appears too vague and does not take into account the materiality principle (e.g. if a small office of the undertaking is located in such an area, it does not necessarily mean that it could have a material impact on the water resources).

Another issue of concern regards the materiality of the information required: while other environmental disclosure standards clearly distinguish between physical and transitional risks, this distinction does not appear clear in all E3 disclosure standards.

As to the core elements of this disclosure standard, we believe that the definition of marine resources shall be enhanced.

Furthermore, the information related to the value chain on water issues requires a gradual approach to enable companies to implement appropriate systems for collecting and monitoring the required data. In this regard, while for direct impacts companies have opportunities to remedy the lack of standards with independent choices and approaches, for the supply chain the lack of standards and reference tools represent objective criticalities in responding to requirements. It is suggested that the introduction of value chain requirements be postponed to a later stage so that companies can adapt processes and systems for data collection and monitoring.

As a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

## **DR E3-2 – Measurable targets for water and marine resources**

The undertaking shall disclose the water and marine resources-related targets it has adopted.

The principle to be followed under this disclosure requirement is to provide an understanding of the targets the undertaking has adopted to support its water and marine resources policies and address its material related impacts, risks and opportunities.

**Q48: Please, rate to what extent do you think DR E3-2 – Measurable targets for water and marine resources**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Reporting targets and water intensity data, if available, seems significant. However, given the broad nature of industries, requiring information on specific figures in specific units could be limiting. Therefore, it is required to allow greater flexibility for the data that needs to be reported. The standard requires a very significant number of information and could be simplified.

In particular, we observe that information required goes beyond the current international best practices (e.g. GRI) and refer to a still incomplete EU legal framework. In order to prevent inconsistencies, this information requirement shall be largely simplified.

The reference to other disclosure requirements (par. 21) appears vague and could potentially hamper the clarity of information with overlaps across different E standards. In order to prevent such overlaps, we would suggest at least to ensure the possibility of cross-referencing.

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

Paragraph 20, (a), (b), (c), (d): these measurements are applicable to production plants, but it is not specified how to proceed in the agricultural phase and how to consider withdrawal and discharge (for example, is it correct to consider withdrawal = discharge for the irrigation phase of the land? There is no way to measure the amount of water that after irrigation is actually fed into the aquifer or streams).

Paragraph 21: To avoid duplication of information, it would be useful to indicate that reference can be made to what has already been reported in E1, E2, E4 and E5, in terms of objectives

letter (c): Further study is needed. For example, for agricultural companies, every action implemented leads to a change in the land (it is still possible to prove that the activities of the farms do not degrade it).

As a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

### **DR E3-3 – Water and marine resources action plans and resources**

The undertaking shall disclose its water and marine resources action plans and the resources allocated for their implementation.

The principle to be followed under this disclosure requirement is to provide transparency on the key actions take and planned to achieve water and marine resources-related targets and to manage related risks, impacts and opportunities.



**Q49: Please, rate to what extent do you think DR E3-3 – Water and marine resources action plans and resources**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Reporting on action plans and resources is not necessarily a goal-oriented approach. It would be more advantageous to ask for information on the definition of objectives and their achievement, as this would contribute to sustainability. The standard requires a very significant number of information and could be simplified.

In some cases, the information required goes beyond the current international best practices (e.g., GRI recommend but do not require reporting on budget allocation). As a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy. Points (a), (b), (c), (d) and points (a) (b) of paragraph 28: these measurements are applicable to production facilities or, in some cases, to the processing phase of cultivated raw materials into food supplements and medical devices. But it is not specified how to proceed in the agricultural phase and how to consider withdrawal and discharge (eg is it correct to consider withdrawal = discharge for the irrigation phase of the land? There is no way to measure the amount of water that after irrigation is actually fed into the aquifer or streams).

## **DR E3-4 – Water management performance**

The undertaking shall provide information on its water management performance.

The principle to be followed under this disclosure requirement is to provide an understanding of the undertaking's water cycle at entity level and how the undertaking is managing to meet the targets it has set.

**Q50: Please, rate to what extent do you think DR E3-4 – Water management performance**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The reporting of action plans and resources is not necessarily a goal-oriented approach. It would be more advantageous to report information on the definition of objectives and their achievement, as this would contribute much more to sustainability. Paragraph 28(d): discharges for priority substances of concern in tons of kilograms - A defined list of "priority substances of concern" will need to be proposed and aligned as it is a broad category fraught with many issues. The length of the list will drive the reporting burden as processes and technology for testing wastewater beyond the permit requirements may be required across hundreds of sites. In addition, the frequency of testing needs to be defined.

Appendix B: Application Guide:

AG 24: specify if it is necessary to simply refer to the use of fertilizers or if the quantities placed in a soil must be reported: an important part of the products used remains in the field after use, it is not possible to know the % or weight of the substances introduced into the watercourses unless you use the assumption volumes used = volumes introduced into the watercourses / aquifers.

AG 26. indicate more clearly what must be taken into account when talking about "segments" (a portion of the geographical area, the size, the selection criterion, etc.).

## **DR E3-5 – Water intensity performance**

The undertaking may provide information on its water intensity performance.

The principle to be followed under this disclosure requirement is to provide an understanding of how the undertaking is managing to decouple net turnover from the withdrawal, consumption and discharge of water.

**Q51: Please, rate to what extent do you think DR E3-5 – Water intensity performance**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Reporting on water intensity targets and data, if available, seems significant. However, given the broad nature of industries, requiring information on specific figures in specific units could be limiting. Therefore, it is required to allow greater flexibility for the data that needs to be reported. • Water intensity benefits should not be limited to net turnover alone. Other indicators of water intensity can be followed by the enterprise, such as per unit of product. This disclosure obligation should be in line with the respective DR ER-2 disclosure obligation, which relates to the objectives.  
Paragraph 32(b): Are rainwater and evaporation included?

## **DR E3-6 – Marine resources-related performance**

The undertaking shall provide information on marine resources-related performance indicators.

The principle to be followed under this disclosure requirement is to provide an understanding of how the undertaking is impacting marine resources and marine waters and how it is managing to meet whichever marine resources-related targets it has set.

**Q52: Please, rate to what extent do you think DR E3-6 – Marine resources-related performance**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The standard requires a very significant number of information and could be simplified.

The reference to other disclosure requirements (par. 35, b) appears vague and could potentially hamper the clarity of information with overlaps across different standards. In addition, the metrics laid out in (35b) do not always correlate with the impact on marine resources. Asking the reporting company what impact can result from these measures is based on judgement and could be highly subjective.

In order to prevent such overlaps, we would suggest at least to ensure the possibility of cross-referencing or, to avoid duplication of information, it would be useful to indicate that you can refer to what has already been reported in E1, E2, E4 and E5 in terms of objectives

As a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

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

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### **DR E3-7 – Financial effects from water and marine resources related impacts, risks and opportunities**

The undertaking shall disclose its financial effects of material risks and opportunities arising from water and marine resources-related impacts and dependencies.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the effects of material risks and opportunities, related to the undertaking's water and marine resources-related impacts and dependencies, on the undertaking's development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value, considering that those potential future financial effects may not meet at the reporting date the recognition criteria set for financial statements.



**Q53: Please, rate to what extent do you think DR E3-7 – Financial effects from water and marine resources related impacts, risks and opportunities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Overall, the disclosure requirement is too broad and generic as effects are not well known or established. As impacts can vary greatly, no common approach to materiality is established.

This disclosure requirement appears very questionable, inasmuch it requires to provide information on forward looking financial effects that “may not meet at the reporting date the recognition criteria set for the financial statement”. In order to ensure clarity and consistency of information, we believe that information not included in the financial statement shall not be required in the sustainability reporting. Accordingly, we propose to delete this disclosure requirement altogether.

Alternatively, any specific information requirement on the financial effects shall be clearly identified, clarifying the type of information required and the criteria that shall be used for its detection. In addition, the requirement should be supported by sectoral guidelines to allow companies to operationally decline these requirements and enable the application of a uniform standard within sectors. Regarding the assessment of the market size of related products and services at risk, it could be affected by significant uncertainties, especially in relation to the significance of the market prices of the water resource (compared to its real systemic value). The use of future scenarios relating to its availability and / or quality conditions (e.g. Aqueduct 2030-50 maps or similar) could only be of (qualitative) direction to estimate the economic effects on operating activities (e.g. lack of production). The assessment of potential financial impacts needs guidance on estimation approaches, as the probability and degree of impact could vary massively between "educated assumptions" and real figures. Overall, the disclosure requirement is too broad and generic, as the effects are not well known or established. Because impacts can vary greatly, no common approach to materiality is established.

Paragraph 1(b): a very broad issue, often more impacted by other activities, other than those of companies (e.g. domestic emissions and road traffic).

Paragraph 1(e): it is necessary to define a threshold of relevance.

## **DR E4-1 – Transition plan in line with the targets of no net loss by 2030, net gain from 2030 and full recovery by 2050**

The undertaking shall disclose its plans to ensure that its business model and strategy are compatible with the transition to achieve no net loss by 2030, net gain from 2030 and full recovery by 2050.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the transition plan of the undertaking and its compatibility with the preservation and restoration of biodiversity and ecosystems in line with the Post-2020 Global Biodiversity Framework and the EU Biodiversity Strategy for 2030.

**Q54: Please, rate to what extent do you think DR E4-1 – Transition plan in line with the targets of no net loss by 2030, net gain from 2030 and full recovery by 2050**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

There is uncertainty in the amount and availability of the necessary information, there may be high costs in collecting and communicating the information. A transition plan referring to the entire value chain cannot be disclosed. The transition plan can only refer to companies controlled or subject to some form of direct power.

- It is very difficult to trace and trace the value chain, and it is not clear how to disclose the transition plan in the value chain.

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

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

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

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

Information of a descriptive nature should not be subject to digital taxonomy.

## **DR E4-2 – Policies implemented to manage biodiversity and ecosystems**

The undertaking shall disclose its policies related to biodiversity and ecosystems.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address prevention, mitigation or remediation of actual or potential adverse impacts and protection and restoration of biodiversity and ecosystems and of how the undertaking monitors and manages its material biodiversity and ecosystems-related impacts and risks and opportunities arising from impacts and dependencies and addresses the strategies of no net loss by 2030, net gain from 2030, and full recovery of biodiversity and ecosystems by 2050.

**Q55: Please, rate to what extent do you think DR E4-2 – Policies implemented to manage biodiversity and ecosystems**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

There is uncertainty in the quantity and availability of the necessary information, there may be high costs in collecting and communicating information, in particular due to the high degree of granularity, which would not add value to stakeholders. • In the sense of relevance, review the logic behind the disclosure obligation on the SDGs (Sustainable Development Goals): when referring to the relevant contributions to the SDGs, this should already be implied IF the enterprise has a material contribution here. SDGs 2, 6, 12, 14 and 15 can support businesses in their respective criteria, but with regard to the sub-objectives of each of these SDGs, it is necessary to review the applicability, particularly for companies active in (mainly) industrialised countries. • There is a risk that the large amount of information to be collected and reported confuses the relevance and priority of the information.

- The information should not be linked to "targets of no net loss by 2030, net gain from 2030 and full recovery by 2050", as it is not – for the time being – relevant or related to the EU Biodiversity Strategy 2030 or the post-2020 Global Biodiversity Framework (1st project). Such a link would be misleading for any business, which will not be able to disclose information about policies that are in line with these "indefinite" objectives.

- Information of a descriptive nature should not be subject to the digital taxonomy

- Paragraph 21(a): What objective does EFRAG refer to? No net loss of biodiversity or positive impact of biodiversity?

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- AG 31. It asks to trace the origin of raw materials, currently with different levels of obligation by sectors and countries, and therefore not always available to the company to be able to provide the requested information.

## **DR E4-3 – Measurable targets for biodiversity and ecosystems**

The undertaking shall disclose the biodiversity and ecosystem-related targets it has adopted.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the targets the undertaking has adopted to support its biodiversity and ecosystems policies and address its material related impacts, dependencies, risks and opportunities.

**Q56: Please, rate to what extent do you think DR E4-3 – Measurable targets for biodiversity and ecosystems**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Assuming that the standard requires measurable targets in the sense of SMART goals, a quantification of the avoidance and minimization of biodiversity and lost ecosystems seems at odds with the principle underlying the standard. A commitment/policy should be sufficient in this case, as artificial objectives without a measurable basis would damage the credibility of the companies. • There is a risk that the large amount of information to be collected and reported confuses the relevance and priority of the information. Biodiversity is impacted by a plurality of external factors that may be completely outside the control of the company.

- Since there is no widely accepted "global" biodiversity standard, there is no clear guidance on how the company can assess the significance, for example, of planetary boundaries in the corporate supply chain and scale organizational goals accordingly. The guideline and the measurement method must be defined and harmonised.
- Paragraph 31: specify if it is necessary to refer to all areas ("land-use change, climate change, pollution, natural resource use and exploitation, as well as invasive species") or to only one of these areas. Specify the indicators to use.
- Paragraph 32: Biodiversity and ecosystems are by their nature impacted by a plurality of agents, how can a company set measurable targets such as those indicated in point 32, not being the only actor that affects biodiversity and ecosystems?
- Paragraph 34: Unclear reference in paragraph 34, reference is made to paragraph 27 (28 would be logical)., specifically:
  - On (34.c): Biosphere integrity and planetary boundaries are measured at a scale not relevant to individual organizations operating in specific locations. It is not practical to provide more than a general alignment statement, which does not add much value. This requirement should be removed
  - On (35): The list of EU and national policies in scope of this disclosure should be provided vs. having individual companies all compiling this separately for reporting purposes. The detailed reporting requirement should be removed for companies which make a general statement that they comply with all related legislation.
- Paragraph 35: The list of EU and national policies within the scope of this policy should be provided with respect to individual companies compiling it separately for reporting purposes. The obligation to report in detail should be eliminated for companies that generally declare that they comply with all relevant legislation.

It would be useful to include examples to target companies.

- Complexity in defining quantitative objectives and periodic measurement KPIs (E4-3, AG40 and 41) – KPI [pressure – impact – response]

These are elements that are difficult to measure by the company, which are found in a medium-long term time horizon. From one year to the next it is difficult to achieve results in terms of animal species, size of protected areas. In addition, an area is not impacted by a single company, it could suffer positive effects from one company but much worse effects from other entities.

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



It is also noted that targets to 2050 are useful as a trend but given the time horizon so far away it is complex to estimate the figure in a timely manner.

## **DR E4-4 – Biodiversity and ecosystems action plans**

The undertaking shall disclose its biodiversity and ecosystems-related actions and action plans and allocation of resources to meet its policy objectives and targets.

The principle to be followed under this Disclosure Requirement is to provide transparency on the key actions taken and planned to achieve biodiversity and ecosystems-related targets and to manage related risks, impacts and opportunities.

**Q57: Please, rate to what extent do you think DR E4-4 – Biodiversity and ecosystems action plans**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Action plans can only involve the company's direct suppliers and clients and not the entire value chain, upstream and downstream.

Information to be provided for each action plan is too detailed and should be limited to a few essential elements (such as indicating the stakeholders involved in the plan).

- There is a risk that the large amount of information to be collected and reported confuses the relevance and priority of the information.
- Too much information is needed – in terms of quantity and detail – that will be difficult and time-consuming to collect and disseminate, especially for companies with a broad portfolio of sites where such biodiversity action plans are implemented.
- Paragraph 37: Information requested under this disclosure requirement (i.e, allocation of resources) may be considered confidential to an organization and should therefore be exempt disclosure. Disclosure of targets, policies, and transition.
- Paragraph 40: Action Plans and resources relating to the value chain can only be those that the company implements towards suppliers and customers and not those of upstream and downstream subjects
- Paragraph 42, letter (b): requires a depth of information on the areas of intervention that companies can hardly find except in a generic way. Given the high risk of generic information provided, it would be more useful to simplify and circumscribe the point, for example by limiting it to the indication of the stakeholders possibly involved in the action plan.

This disclosure requirement requires, among other things, collaboration and provision of data by suppliers, customers, and government agencies, which is or can become problematic, especially outside the EU, as partners in third countries may not be legally required to provide such information in their countries, and biodiversity and ecosystem services accounting systems may not exist or are still being developed. At which point in time has an inquiring company in the EU fulfilled its due diligence obligation in a legally compliant manner if, for example, the supplier in question or a country or local authority does not provide any data?

- The constraint on material shares should be revised: for companies that may be active in different places, for example in the renewable energy sector, this disclosure may require different action plans. A consolidation of information and/or attention to material aspects should be sufficient in this case, as the detailed information on each activity would go beyond the feasibility of the information. For part H: biodiversity and ecosystems are by their nature impacted by a plurality of agents, how can a company set measurable objectives such as those indicated in point 32, not being the only actor that affects biodiversity and ecosystems?

## **DR E4-5 – Pressure metrics**

The undertaking shall report pressure metrics.

The principle to be followed under this Disclosure Requirement is to provide information on material impact drivers that unequivocally influence biodiversity, ecosystem services and underlying ecosystems.

**Q58: Please, rate to what extent do you think DR E4-5 – Pressure metrics**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Several questions arise when assessing this disclosure requirement: What official data can a company access that is legally certain according to the EU? For example, data on which species are represented in an ecosystem, what is the status of the populations, etc.? What is the EU or internationally? established criteria for pressure metrics that a company can refer to with legal certainty?

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

- Paragraphs 48, 49, 50: specify that, if the topic is material, please refer to what has already been communicated in relation to the E1, E2, E3 and E5 standards, in order to avoid repetition and redundancy.
- Paragraph 52: The concept of any other material impact is very vague and produces uncertainty even about the pressure metrics to be used. Requiring pressure metrics to be indicated if there are other impact factors is too general and should be deleted.

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- AG 63, (c): Specify extension in hectares, so that a crop is considered "monoculture". For example, is a field with 1ha of artichokes considered monoculture?

## **DR E4-6 – Impact metrics**

The undertaking shall report metrics for material biodiversity and ecosystem-related impacts, either by material geographical locations, and/or by material raw materials.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the progress of the undertaking's towards no net loss and net gain, including how biodiversity offsets may be integrated in this measurement approach.

**Q59: Please, rate to what extent do you think DR E4-6 – Impact metrics**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Paragraph 55: Undertakings are not able to independently process the information required in this paragraph. The information requested can be found by companies if processed by third parties (institutions, research centers, etc.), unless it is implied that companies must conduct this type of investigation with considerable economic effort. The availability and updating of this information is therefore not dependent on the company. It would be useful for the standard to refer to available data platforms on which to base disclosure. Specifically:

- On 55 (a): This data on population size is generally not available for most species or locations and is unrealistic to request from companies.
- On 55 (b): This data is generally not available for most ecosystems and still under assessment by organizations like the IUNC. It is not realistic to expect companies to report on this. Therefore, it is recommended to remove these unclear metrics.

Companies are unable to independently process the information required in paragraph 55. This paragraph should be deleted.

In addition, it is difficult to trace the species and their variation. Such variations can be totally disconnected from the company's shares

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

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

## **DR E4-7 – Response metrics**

The undertaking shall disclose response metrics.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking minimises, rehabilitates or restores material impacts on biodiversity and ecosystems in material geographical locations of sites and/or raw materials identified.

**Q60: Please, rate to what extent do you think DR E4-7 – Response metrics**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

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

## **DR E4-8 – Biodiversity-friendly consumption and production metrics**

The undertaking may disclose metrics on its biodiversity-friendly consumption and production.

The principle to be followed under this optional Disclosure Requirement is, if the undertaking so decides, to provide an understanding of its consumption and production that qualifies as being biodiversity-friendly.

**Q61: Please, rate to what extent do you think DR E4-8 – Biodiversity-friendly consumption and production metrics**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Link to the EU taxonomy not (yet) defined – clarification/definition needed. The metrics proposed must be consistent with the TNFD metrics, otherwise having different metrics for different disclosure requirements will (i.) create significant amount of additional time and resource, (ii.) create confusion, and (iii.) make it harder to compare company by company, sector by sector when a common set of metrics and targets are needed across all disclosure requirements and mechanisms. The term "biodiversity-friendly" is not clearly defined and there is probably no common understanding of what is "biodiversity-friendly". Paragraph 60(a) and (b): This may be commercial information affecting commercial competition if it is made public.

## **E4-9 – Biodiversity offsets**

The undertaking may disclose the actions, development and financing of biodiversity and ecosystems mitigation projects (offsets) inside and outside its value chain.

The principle to be followed under this optional Disclosure Requirement is to provide an understanding of the extent and quality of the development; investment and implementation of projects or programmes inside or outside the undertaking's value chain that compensate for any residual, significant adverse impacts on biodiversity that cannot be avoided, reduced or removed, minimised, or restore biodiversity loss inside or outside the undertaking's value chain (also commonly referred to as biodiversity offsets).

**Q62: Please, rate to what extent do you think DR E4-9 – Biodiversity offsets**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

## **DR E4-10 – Financial effects from biodiversity-related impacts, risks and opportunities**

The undertaking shall disclose its financial effects of risks and opportunities arising from biodiversity-related impacts and dependencies.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the effects of risks and opportunities, arising from the undertaking's biodiversity-related impacts and dependencies, on the undertaking's development, performance and position over the short, medium and long term and therefore on its ability to create enterprise value, considering that those potential future financial effects may not meet at the reporting date the recognition criteria set for financial statements.

**Q63: Please, rate to what extent do you think DR E4-10 – Financial effects from biodiversity-related impacts, risks and opportunities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

In a context where the regulatory framework and the way in which impacts/dependencies are analyzed are not yet defined and standardized, disclosure of potential financial effects is not easy. This disclosure obligation appears highly questionable, as it requires the provision of information on the expected financial effects that "may not meet the recognition criteria established for the financial statements at the reference date". To ensure clarity and consistency of the information, we believe that information not included in the financial statements is not required in the sustainability report. Alternatively, any specific obligation to provide information on financial effects should be clearly identified. Specific guidance is therefore needed to support companies in reporting information and estimating the economic impact of biodiversity requires the establishment of criteria and thresholds to assess and compare the economic impact and to operationally implement those requirements in a uniform manner within the same sector. Paragraph 67: The reporting obligation is broad and generic, while the effects are not well known or established: scenarios for biodiversity and loss of nature as in the case of climate have not yet been developed. It should then be eliminated until better external alignment on scenarios is available.

Paragraph 68: it is necessary to provide quantitative information, it is not clear how this can be reconciled with the fact that "such potential future financial effects may not meet the recognition criteria established for financial statements at the reference date".

Detailed guidelines and standardization of methodology on how companies assess the financial effect will be needed. Recommend that this is only the financial effect of nature-related risks, not opportunities, impacts and dependencies that are much more context-specific and difficult to quantify.

General considerations on the MATERIALITY of the theme:

The standard seems to focus on the company's dependence on the use of raw materials from protected areas and from activities carried out within areas that involve the reduction / destruction of the protected area itself, deforestation, etc. In the situation of companies operating in protected areas / Natura 2000 and that to comply with national legislation are forced to obtain environmental permits and impact assessments, can this issue not be considered already largely covered by compliance with regulatory and regulatory requirements and therefore no longer has material relevance?

General considerations on the complexity and articulation required:

The amount of information required, both qualitative and quantitative, would almost require an ad hoc document. The risk is that the Financial Report becomes an anomalous document and therefore no longer useful / usable for stakeholders. It is considered necessary to simplify reporting requests for this Standard. It is important to keep in mind that potential financial impacts may not be available/feasible for all material aspects. Risk and opportunities should be assessed, but monetary quantification should be a secondary step in the hierarchy of requirements.

Appendix A: Definition of terms

- Deforestation – It would be advisable to use the FAO definition of deforestation.

Appendix B: Application Guide

- AG 11.C: Since biodiversity is local, it should be possible to use national databases that in many cases are more relevant than global databases
- AG 13: placed in this way the criterion of assessment of materiality, it establishes a mandatory relevance for almost all companies, given the extension to the value chain
- AG 16: Same considerations as above. In addition, the valuation is extended to the financial loss also

of the value chain, a figure impossible for the company to assess.

- AG 17: requires tracing the origin of raw materials, currently with different levels of obligation for sectors and countries and therefore not always available to the company to be able to provide the requested information. The instruments referred to in point AG 18 are also of limited use.
- AG.19: The risks mentioned are extremely broad and can be difficult to detect even for large companies, therefore almost impossible for small and medium-sized enterprises. In addition, it is a complexity of risks for which it is difficult if not impossible to assess the relevance for the value chain.
- AG 20 e AG 25: See comment AG19
- AG 26. The time scale used (< 1 year, 1-3 years, > 3 years) for the impact rate is too short, to notice the change in the effect in biodiversity the reasonable scale is 10 years. It is necessary to specify more the interpretation that must be given to the tables. In this case, clarify the link between "loss of functionality" (referring to the ecosystem?) and "financial loss".

Paragraph 6 (b): Pollution is a permit concept that may vary from country to country. An international reference is needed.

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

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### **DR E5-1 – Policies implemented to manage resource use and circular economy**

The undertaking shall disclose separately its policies (i) to decouple economic activity from extraction of non-renewable resources and (ii) for regeneration of renewable resources and ecosystems.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the undertaking's ability to transition away from extraction of virgin non-renewable resources and to implement practices that secure and contribute to the regeneration of the stock of renewable resources and the ecosystems they are part of.



**Q64: Please, rate to what extent do you think DR E5-1 – Policies implemented to manage resource use and circular economy**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

There will be a need to significantly update data collection and reporting systems in order to have the data in a form and quality as required (including the nature of data which is important, e.g. measured, calculated, estimated, modelled). That will require time and human resources. It would be appropriate to consider developing a comparison/ benchmark for businesses to understand to what is needed and for auditors to assess the reporting – the verification and data quality including the reporting formats will have an impact. Regarding the ESRS E5 standard, we welcome the introduction of a common and standardized guideline at European level since it represents an important step forward in the adoption of the circular economy approach within business activities. However, in order to make it effective, there are some points that in our vision should be revised.

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

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

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

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

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

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

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

- Paragraph 17: The definition of renewable materials needs to be well understood and meaningful. It is not clear for example what "quickly replenished by ecological cycles" means: Does this translate to aluminum and steel being considered renewable? The use of renewable (plant based) resources have multiple corollary effects on land usage, food, water, etc. How will those be considered?
- Paragraph 20: requires providing a description of how the policy commitments related to resource use and circular economy are implemented within the undertaking's own operations and the upstream and

downstream value chain. This extension, which is further confirmed in AG 5, appears to go beyond the scope of the CSRD and is likely to be very burdensome especially where a very dispersed value chain with smaller companies is involved. In general, a policy referring to the entire value chain does not seem to appear viable; it should involve only company's direct suppliers and clients.

Recommendation to remove references to regeneration as it goes beyond 'just' increasing the use of circular feedstock of biomass as feedstock. Additionally, regeneration is not even mentioned in E4.

As a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

## **DR E5-2 – Measurable targets for resource use and circular economy**

The undertaking shall disclose the resource use and circular economy-related targets it has adopted.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the capacity of the undertaking to meet the policy's objectives of resource use and circular economy.

**Q65: Please, rate to what extent do you think DR E5-2 – Measurable targets for resource use and circular economy**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The timeline there and the need change and activities are stretched and will add on costs. A detailed description on geographies which are covered by a target shall be avoided. To ease the costs, we suggest reporting that a target at group level Group-wide. To be consistent with EU's policies, this standard has to be treated with due care and consider how legislative proposals will be finalized. The information requirement appears more detailed than international standards: this is particularly true for par. 24, lett. (b) requirement to describe "how material impacts are linked with targets" and the "classification of targets" required in par. 25. With secondary material (AG11), there is postconsumer, postindustrial and postproduction. It is easy to work with postindustrial that is state of the art, it gets tricky (and costly) with the post-consumer and the need of a significant infrastructure to provide the material in the form to the recycling. There is no specification in the reporting right now, and it is also very tricky to track and trace the value chain.

As to the information required under par. 24, lett. b), the relative application guidance (AG11) is even less clear, inasmuch it requires companies to "demonstrate that the increased circular material use rate is additional based on the development of new, innovative secondary material resources and the production of circular product" but it does not envisage any criterion or parameter that shall be used for such a demonstration.

- Paragraph 25(a): it would be appropriate to determine boundaries in relation to suppliers and customers to avoid double/multiple counting across a value chain and values are allocated to the correct entity.
- Paragraph 25(b): specify whether reference is made to internal or external use. This is the case of a company that has 92% of production waste started to recovery activities by third parties (biogas production, production of biological fertilizers, waste-to-energy for energy production), which does not have the possibility to use waste internally given the very complicated situation at the regulatory level for waste management (we should talk about by-products). What they already do would be aligned or at least exploitable according to the standard, or should it be exclusively internal use? In addition, an international reference of circularity is needed.

As a general remark, we observe that information of a descriptive nature should not be subject to digital taxonomy.

Appendix B: Application Guide

- AG 11: According to what criteria must the demonstration be provided?

## **DR E5-3 – Resource use and circular economy action plans**

The undertaking shall describe its resource use and circular economy-related action plans and the resources allocated to their implementation.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the measures taken to increase the share of circularity in the flows and to optimise the use of resources supporting the credibility of the undertaking's strategy to develop circular business models fostering the transition to a more circular economy.

**Q66: Please, rate to what extent do you think DR E5-3 – Resource use and circular economy action plans**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

- A detailed description on geographies which are covered by a target shall be avoided. To ease the costs, we would suggest reporting that a target at group level Group-wide.
- It may also be impossible to describe (with a list) stakeholders which are impacted by activities. A general description should be sufficient, and this should be feasible while ease the costs.
- It is questionable the disclosure of information on the relevant internal processes regarding lobbying activities in favor of the circular economy (AG 13). Firstly, it is not clear what is meant. Secondly, it is not verifiable.
- It is necessary to provide clear metrics definition.

## **DR E5-4 – Resources inflows**

The undertaking shall provide information on its resources' inflows.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the resource use in the course of the undertaking's own operations, considering separately renewable and non-renewable resources and including transparency on virgin versus non virgin materials and on sustainable versus regenerative source.

**Q67: Please, rate to what extent do you think DR E5-4 – Resources inflows**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Resource inflow: Weight and percentages may be difficult (for some sectors, impossible). It is suggested to be more precise in the sectorial standards. It is suggested to avoid granular consideration of adverse or beneficial other environmental impacts. This is extremely complex, require reporting and administrative efforts which are not necessary considering other existing legislation (i.e, Taxonomy).

Paragraph 33: The metrics appear to apply partially to the product and packaging (33.a and 33.b) or only to packaging (33.c). It is necessary to have two separate measures for products and packaging, since materials and related data are handled differently. In addition, is it necessary to consider "packaging" exclusively in reference to point b), or, since it is "Resource inflow", also in points a) and c)? From how it is possible to interpret indicator (a), this also considers the packaging (but does not explicitly, while indicator (b) and (c) explicitly mention it). Is this interpretation correct?

Paragraphs AG 15 to AG 23 - "Resource inflows": when the 3 indicators of weight and % of material used are presented, should both packaging and raw material referring to the content of the product always be considered? If this interpretation is correct, the indicator (a) should be formulated and specified better, explicitly inserting the word packaging, mentioned in the indicators (b) and (c).

Disclosure of total weight of input flows should be omitted for competitive reasons.

## **DR E5-5 – Resources outflows**

The undertaking shall provide information on its resources' outflows.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking is contributing to circular economy by increasing the durability, reparability, upgradability, reusability or recyclability of the products and materials.

**Q68: Please, rate to what extent do you think DR E5-5 – Resources outflows**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

In this section it is important that definitions of durability, reusability etc. are aligned with relevant EN/ISO standards and the upcoming regulation on Ecodesign requirements for sustainable products. This measure does not make sense if it is inclusive of both products and packaging. Down the drain products (i.e., toothpastes) do not fit into the "designed for" definitions and do not relate to this disclosure. This should be a packaging-only measure to be meaningful.

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

## **DR E5-6 – Waste**

The undertaking shall provide information on its wastes.

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

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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

- It is suggested to use the definitions of “incineration”, “landfilling”, “recycling” and “recovery” included in the waste framework directive. Material used and waste – a waste balance approach is suggested: get the input streams and the production deducted and the waste that is generated. The waste generated at production facilities and offices is traceable and reported but not always in many fractions and it is difficult to identify what can be done to minimize the waste in detail. It shall be observed that Member States have different starting points when it comes to waste prevention and recycling. While prevention is not a criterion, it is suggested to add it to report on company’s efforts in terms of waste reduction at and more recycling and circulation of secondary raw materials. Post-consumer waste is not mentioned - despite the EU legislation on extended producer responsibility, there is no mention of post-consumer waste. This is a missed opportunity as it is unclear what is happening at the end. It is suggested to add some clarifications or take a staged approach (to include it in a second step). Although the reporting is not always possible as per single company, it is necessary to add it to address the PCR need. The waste generation and its split on the different waste categories is standardized within EU but not globally. The definition of waste management is seen differently. Waste prevention is not explicitly mentioned, which may lead to thinking that having a lot of waste at source with a high degree of bringing it back in circularization is better than having less waste at source and hence smaller amount back in the value chain. Such a waste assessment and waste classification is key to identify the valuable streams in quality and quantity.  
Definitions – the waste definition is not always in line with the legislation and some terms are used with different meaning. Waste collection is recycling in Anglo-American countries. Advanced recycling in US is rather more meant to be back to fuel, whilst in Europe it is clearly meant to recovery and recycling. There is a need of awareness and transparency to provide the correct measures and comparability (even within the EU).  
For operations with low amounts of manufacturing waste, this should be limited to the definition of hazardous vs. non-hazardous only. The remaining waste categories (by recovery operation type) require high reporting complexity for potentially a small footprint (particularly when the impact is mostly related to post-consumer waste and product circularity).

## **DR E5-7 – Resource use optimisation**

The undertaking shall provide information on its strategy to optimise resource use in creating circular business models.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the intensity of materials and products used by the undertaking and its capability to keep a resource at its highest value.

**Q70: Please, rate to what extent do you think DR E5-7 – Resource use optimisation**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

To ensure comparability, clear measurement metrics and templates/ methodologies shall be defined. There is little difference between E 5-5 Resource outflows and E 5-7 Resource use optimization. Suggestion to bring them together. This can similarly be done with E 5-7 Resource use optimization and E5-3 Resources Use and Circular Economy-Related Action Plans.

Regarding “E5-7 – Resource use optimisation” we consider guidelines provided in AG 35 and AG 36 not clear for their implementation, so we recommended to define additional details and examples to guarantee faithful information and comparability among all companies.

## **DR E5-8 – Circularity support**

The undertaking shall provide information on its ability to create partnerships to accelerate the transition from linear to circular economy.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the services and products that contribute to create circular systems initiatives outside its own activities in the value chain.

**Q71: Please, rate to what extent do you think DR E5-8 – Circularity support**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

E 5-8 Circularity Support: List of actions already required under 5-3 Resource use and action plans, this could be harmonized to avoid unreasonable reporting efforts. For the line “Provide information on its ability to create partnerships to accelerate the transition from linear to circular economy” – it isn’t immediately clear why this is necessary, and particularly why 49(a) needs to be an additional step to disclosing circular economy-related action plans at E5-3. Is the point that companies need to demonstrate that engagement with stakeholders has actually happened? If so, how much evidence/substantiation is required? A “mandatory” disclosure required on circularity support is not aligned with international standards, where such information is optional. Moreover, the reference to the whole downstream and upstream value chain (par. 49, lett. a) appears beyond the scope of the CSRD.

## **DR E5-9 Financial effects from resource use and circular economy-related impacts, risks and opportunities**

The undertaking shall disclose its financial effects of material risks and opportunities arising from resource use and circular economy-related impacts and dependencies.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the effects of material risks and opportunities, related to the undertaking’s resource use and circular economy-related impacts and dependencies, on the undertaking’s development, performance and position over the short-, medium- and long-term and therefore on its ability to create enterprise value, considering that those potential future financial effects may not meet at the reporting date the recognition criteria set for financial statements.

**Q72: Please, rate to what extent do you think DR E5-9 – Financial effects from resource use and circular economy-related impacts, risks and opportunities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Alignment would be needed with regard to financial reporting requirements. This would limit reporting and admin costs while truly create added value. The disclosure requirement is too broad and generic as effects are not well known or established. The effects of many environmental impacts on the financial position of the company are not well known. Impacts can vary greatly and no common approach to materiality is established. In addition, this disclosure requirement appears very questionable, inasmuch it requires to provide information on forward looking financial effects that "may not meet at the reporting date the recognition criteria set for the financial statement". In order to ensure clarity and consistency of information, we believe that information not included in the financial statement shall not be required in the sustainability reporting. Accordingly, we propose to delete this disclosure requirement altogether.

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

- Paragraph 55: Specify which financial risks are referred to.
- Performance measurement:

Disclosure Requirement E5-4 - Resource inflows: "Resource inflows": materials for production and packaging.

So on page 8, when the 3 indicators of weight and % of material used are presented, should both packaging and raw material referred to the content of the product always be considered? If it is correct, the indicator a) should be formulated and specified better, explicitly inserting the word packaging, mentioned in indicators b) and c)

Appendix B: Application Guide

- AG 4: the theme of the value chain returns, i.e. information for which it is difficult to find data.
- AG. 4, letter (a): "remaining resources": Specify which type of "residual resources" is referred to, whether those currently present on the holding, or present in the form of stocks in nature.

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

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

- when sharing comments on a given Disclosure Requirement, and as much as possible, reference to the specific paragraphs being commented on should be included in the written comments,
- in the question asked, for each ESRS, about the alignment with international sustainability standards, these include but are not limited to the IFRS Sustainability Standards and the Global Reporting

Initiative Standards. Other relevant international initiatives may be considered by the respondents. When commenting on this particular question, respondents are encouraged to specify which international standards are being referred to.

A complete index of Disclosure Requirements and their corresponding Application Guidance can be found in Appendix I – Navigating the ESRS.

## **DR S1-1 – Policies relate to own workforce**

The undertaking shall state its policies that address the management of its material impacts on own workforce, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on the undertaking's own workforce specifically, as well as policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the workers whose interests they address, are made aware of their existence and content.

**Q73: Please, rate to what extent do you think S1-1 – Policies relate to own workforce**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

We stress the following critical aspect: when referring to the Basis for conclusion, it appears that many social matters covered by “additional indicators” are transformed into mandatory disclosure requirements.

## **DR S1-2 – Processes for engaging with own workers and workers’ representatives about impacts**

The undertaking shall explain its general processes for engaging with its own workers and workers' representatives about actual and potential material impacts on its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages, as part of its ongoing due diligence process, with its own workers and workers' representatives about material, actual and potential, positive and/or negative impacts that do, or may, affect its own workforce.

**Q74: Please, rate to what extent do you think S1-2 – Processes for engaging with own workers and workers’ representatives about impacts**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

### **DR S1-3 – Channels for own workers and workers’ representatives to raise concerns**

The undertaking shall describe:

- the channels it has in place for own workers and workers’ representatives to raise their concerns or needs directly with the undertaking, and / or
- the processes through which the undertaking supports the availability of such channels through the workplace of own workers, and
- how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which the undertaking’s own workers and workers’ representatives can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of grievance mechanisms in the workplace of their own workers and workers’ representatives, how follow up is done with these own workers and workers’ representatives regarding the issues raised, and the effectiveness of these channels.



**Q75: Please, rate to what extent do you think S1-3 – Channels for own workers and workers' representatives to raise concerns**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

This requirement has no explicit basis in the CSRD, so it would be appropriate to remove it.

## **DR S1-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The undertaking shall explain any outcome-oriented targets it may have related to:

1. Reducing negative impacts on its own workforce; and/or
2. Advancing positive impacts on its own workforce; and/or
3. Managing material risks and opportunities related to its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure its progress in addressing its negative impacts and/or advancing positive impacts on its own workforce, and/or in managing material risks and opportunities related to its own workforce.

**Q76: Please, rate to what extent do you think S1-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

These disclosure requirements are aimed at investigating in a very detailed manner the companies' entire HR strategy; this might turn to be a very critical aspect for the companies competitiveness, and can be considered as a strong interference into the freedom to conduct a business. It is too detailed and should be simplified.

Without prejudice to this remark, this does not exclude that, for some companies, the outcome-oriented targets could also refer to the attainment of high-standing performances of the undertaking in specific fields of its activity (eg: target aimed at ensuring a minimum number of training activities to its workers).

## **DR S1-5 – Taking action on material impacts on own workforce and effectiveness of those actions**

The undertaking shall explain:

1. What action is planned or underway to prevent, mitigate or remedy material negative impacts on its own workforce that are connected to its operations, products or services;
2. Any additional initiatives or processes it has in place with the primary purpose of delivering positive impacts for its own workforce; and
3. How it assesses the effectiveness of these actions, programmes and processes in delivering outcomes or its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the types of processes, initiatives or engagements through which the undertaking:

1. Works to prevent, mitigate and remedy material impacts on its own workforce; or
2. Seeks to achieve positive impacts for its own workforce, recognizing that in both instances, the ultimate aim is to deliver improved outcomes in workers' lives.

**Q77: Please, rate to what extent do you think S1-5 – Taking action on material impacts on own workforce and effectiveness of those actions**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

We question the statements contained in the Application Guidance on this requirement, on whether the betterment of workers lives to the extent described in AG 70 -71 lies in the companies' responsibility. This can be, for example referred to the suggested correlation between enhanced financial literacy and reduced sexual harassment in the workplace.

## **DR S1-6 - Approaches to mitigating material risks and pursuing material opportunities related to own workforce**

The undertaking shall explain:

- What action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on its own workers; and
- What action is planned or underway to pursue material opportunities for the undertaking in relation to own workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing material risks and pursuing material opportunities related to its own workforce.

**Q78: Please, rate to what extent do you think S1-6 - Approaches to mitigating material risks and pursuing material opportunities related to own workforce**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

This requirement implies the disclosure by companies of forward-looking information, which inevitably refers to the company's strategy and to sensitive informations (eg commercial infos), which should remain confidential.

## **DR S1-7 – Characteristics of the undertaking's employees**

The undertaking shall describe key characteristics of employees in its own workforce.

The principle to be followed under this Disclosure Requirement is, in conjunction with Disclosure Requirement ESRS S1-8, to provide insight into the undertaking's approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other Disclosure Requirements in this Standard, in particular on Working Conditions, Equal Opportunities and Other Work-Related Rights.



**Q79: Please, rate to what extent do you think S1-7 – Characteristics of the undertaking’s employees**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The draft CSRD does not provide any basis for this requirement. The requirement, moreover, includes a multitude of definitions (eg. permanent, temporary, non-guaranteed hours, full-time and part-time employees across different countries) but it is not possible to attain full comparable information, due to the different definitions that Countries provide on the issues.

In case the requirement would be confirmed, it should be inserted in a more general section, considering that its aim is to provide insight into the undertaking's approach to employment. So, it should not be included among the "Performance measures".

Par 51 b) refers to the content of the report by the undertaking, mentioning a description of the methodologies and assumptions used to compile the data, including whether the numbers are reported: in headcount, full-time equivalent (FTE); this provision is not consistent with the purpose of data comparability, which the CSRD directive aims to.

## **DR S1-8 – Characteristics of non-employee workers in the undertaking's own workforce**

The undertaking shall describe key characteristics of non-employee workers in its own workforce. The principle to be followed under this Disclosure Requirement is, in conjunction with Disclosure Requirement S1-7, to provide insight into the undertaking's approach to employment, including the scope and nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures, and to serve as the basis for calculation for quantitative metrics to be disclosed under other Disclosure Requirements in this Standard, in particular on Working Conditions, Equal Opportunities and Other Work-Related Rights.

**Q80: Please, rate to what extent do you think S1-8 – Characteristics of non-employee workers in the undertaking’s own workforce**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

There is no basis within the framework of the draft CSRD for requiring this specific content.

## **DR S1-9 – Training and skills development indicators**

The undertaking shall disclose the extent to which training and development is provided to its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the training and skills development-related activities that have been offered to own workers, within the context of continuous professional growth, to upgrade own workers' skills and facilitate continued employability.

**Q81: Please, rate to what extent do you think S1-9 – Training and skills development indicators**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The central issue should be to avail information on whether companies have access to the skills they need in view of growing labour and skills shortages across Europe, indicating the key challenges they face and their related actions to ensure that their workforce's skills are up to date, having regard to the demographic evolution of the company workforce, and to successfully manage the twin digital and green transitions.

Some companies propose that the disaggregation of the information on training activities being offered to the workforce by gender (par 57-b) should also take into account the age of the workers, and not only gender (n. of training activities being offered to workers aged > 50 and <30. Moreover, the disaggregation by gender should be included in the diversity disclosure requirements.

The request (par 57c) to disclose the average expenses on training is not a useful indicator to compare the performance of undertakings, because it measures the expenses and not the performances/results attained, thus representing an additional burden for the undertaking without producing any positive/beneficial effects.

## **DR S1-10 – Coverage of the health and safety management system**

The undertaking shall disclose information on the extent to which its own employees are covered by its health and safety management system.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the coverage of the undertaking's management system to prevent harm and promote health amongst the undertaking's employees.

**Q82: Please, rate to what extent do you think S1-10 – Coverage of the health and safety management system**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

This disclosure requirement is not applicable, because health and safety management systems are a voluntary instrument for companies. Therefore it doesn't make sense to make an analysis of it, as requested. Only the single company which may have adopted such a system, will be able to provide the relevant information, according to the voluntary nature of the instrument.

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

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### **DR S1-11 – Performance of the health and safety management system**

The undertaking shall disclose the number of incidents associated with work-related injuries, ill health and fatalities of its own workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the quality and performance of the established health and safety management system to prevent work-related incidents. The undertaking shall provide the following information to comply with paragraph this Disclosure Requirement:

- the number of fatalities as a result of work-related injuries and work-related ill health;
- the number and rate<sup>[1]</sup> of recordable work-related injuries;
- the number of cases of recordable work-related ill health; and
- the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health.

[1] This information supports the information needs of financial market participants subject to Regulation (EU) 2019/2088 as reflecting an additional indicator related to principal adverse impacts as set out by indicator #2 in Table 3 of Annex 1 of the related Delegated Regulation with regard to disclosure rules on sustainable investments ("Rate of accidents").



**Q83: Please, rate to what extent do you think S1-11 – Performance of the health and safety management system**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

This disclosure requirement will have a sense only for the undertaking that will have voluntarily adopted the health and safety management system described above (S1-10). Only in this case, the undertaking will be in measure of indicating the relevant data and thus evaluating the level of performance of the management system adopted. The information requested by this disclosure requirement on self employed workers can apply only when the undertaking has the effective control/recording of the hours being worked by them. Apart from these cases, the requirement does not make sense and therefore will not apply.

## **(Optional) DR S1-12 – Working hours**

The undertaking shall disclose the percentage of its own workers that exceed 48 hours of work per week over the applicable reference period.

The principle to be followed under this Disclosure Requirement is to provide an understanding of whether the undertaking respects the thresholds established by the EU and ILO standards on weekly working hours (48 hours per week over a reference period) to protect own workers' physical and mental health and their safety and work-life balance.

**Q84: Please, rate to what extent do you think S1-12 – Working hours**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The formula indicated under AG 129 to calculate the percentage of FTEs working more than 48 hours/week is not effective to evaluate the excessive number of employees working extra-hours. It should be replaced by considering the number of workers having exceeded the 48 h/week for a specified number (X) of weeks out of the total number of FTEs.

## **DR S1-13 – Work-life balance indicators**

The principle to be followed under this Disclosure Requirement is to provide an understanding of the actual practices amongst the employees to take family-related leave in a gender equitable manner.

**Q85: Please, rate to what extent do you think S1-13 – Work-life balance indicators**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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The comparability of information requires to have common definitions on the various instruments mentioned in this disclosure requirement, which is not the case, considering the different definitions at national level.

This indicator should give companies the possibility to provide information on a wider variety of instruments – eg. childcare facilities - and not only focusing on family-related leaves.

## **DR S1-14 – Fair remuneration**

The principle to be followed under this Disclosure Requirement is to provide an understanding of whether all of an undertaking's own workers are earning a fair wage, and, if this is not the case, an understanding of what percentage of own workers are earning less than a fair wage.

**Q86: Please, rate to what extent do you think S1-14 – Fair remuneration**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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

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

The draft CSRD does not have any specification as concerns wages including any set benchmarks to detect “fair” (or “decent, adequate, minimum or living”) wages.

Thresholds for setting minimum wages such as in AG 141 are not covered Art. 153 (1) (b) TFEU (“working conditions”) and fall under the competence-based exception of Art. 153 (5) TFEU (“pay”). A negative limitation by threshold values is ultimately also to be identified as a regulation of pay.

It is important to acknowledge that the role of a wage is to provide an adequate compensation for work performed and should therefore not be confused with the role of minimum income; and to support compliance with statutory minimum wage provisions, where appropriate, and other existing provisions in countries where minimum wages are set through collective bargaining, whilst fully respecting the diversity of national wage setting systems.

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

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

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



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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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

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

## **DR S1-16 – Pay gap between women and men**

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent of any gap in the pay between women and men amongst the undertaking's employees.

**Q88: Please, rate to what extent do you think S1-16 – Pay gap between women and men**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

This required format for presenting gender-related wage information could be misleading and of low significance and for example concealing that equal wage is paid for equal work at the same employer regardless of gender. The gender-related disproportion in higher paid positions due to reasons external to the company can only be ill-reflected in such a presentation.

The issue of gender-pay gap must always be contextualized taking into account a variety of factors, referred to each single company (worker's commitment, responsibilities, etc.)

On top of this, this disclosure requirement is not consistent with GRI, as the CSRD directive asks for an alignment to the metrics provided by the recognized international standards.

## **DR S1-17 – Annual total compensation ratio**

The undertaking shall disclose the ratio between the compensation of its highest paid individual and the median compensation for its employees.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the level of compensation inequality inside the undertaking, whether wide pay disparities exist and how such disparities have evolved over time.

**Q89: Please, rate to what extent do you think S1-17 – Annual total compensation ratio**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

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

In any case, this disclosure requirement aims to compare the highest paid individual with the median employee annual compensation, so it provides a measurement between two individuals, instead of taking into account the whole workforce employed in the undertaking.

## **DR S1-18 – Discrimination incidents related to equal opportunities**

The undertaking shall disclose the number of work-related discrimination incidents, any corrective actions taken during the reporting period and any related material fines or sanctions.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the incidence of work-related discrimination, including sexual and non-sexual harassment, the corrective actions that the undertaking has taken for its own workforce, and any related material fines and sanctions.

**Q90: Please, rate to what extent do you think S1-18 – Discrimination incidents related to equal opportunities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

This requirement should be limited only to significant cases, because its formulation involves the risk that false reports may occur (eg caused by workers' malcontent).

## **DR S1-19 – Employment of persons with disabilities**

The undertaking shall disclose the percentage of persons with disabilities amongst its own workforce. The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which persons with disabilities are included in an undertaking's workforce, and its composition by gender.



**Q91: Please, rate to what extent do you think S1-19 – Employment of persons with disabilities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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

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

Diverse national legislation including differences of definitions across the EU and beyond make fulfilling this requirement very difficult to apply.

In any case, the disaggregation of data on a gender basis requested by this DR (par 93b) represents an additional burden for the undertaking and does not bring any significant beneficial information.

## **DR S1-20 – Differences in the provision of benefit to employees with different employment contract types**

The undertaking shall disclose information on benefits which are standard for full-time permanent employees but are not provided to employees with temporary, part-time and non-guaranteed hour contracts. The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which certain employees (those with temporary, part-time and/or non-guaranteed hour contracts) do not receive the same benefits as full-time, permanent employees.

**Q92: Please, rate to what extent do you think S1-20 – Differences in the provision of benefits to employees with different employment contract types**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

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

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

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#### **DR S1-21 – Grievances and complaints related to other work-related rights**

The undertaking shall state the number of grievances and complaints received and resolved relating to workers' other work-related rights.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the undertaking's grievance mechanism or channel. This is the mechanism or channel through which those workers whose other work-related rights are impacted by the undertaking are able to lodge a concern or complaint, and that can provide access to remedy by resolving those complaints. Furthermore, it is to provide an understanding of the number of complaints raised and resolved at National Contact Points for OECD Multinationals.

**Q93: Please, rate to what extent do you think S1-21 – Grievances and complaints related to other work-related rights**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

There is no obvious basis for this requirement in the draft CSRD.

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

In addition, Para. 100 moreover stipulates information about all incidents without any restraint, which would also include false reports, especially recurring incidents caused by malcontents. It is therefore important to limit the disclosure requirement to significant cases.

## **DR S1-22 – Collective bargaining coverage**

The undertaking shall disclose information on the extent to which the working conditions and terms of employment of its own workforce are determined or influenced by collective bargaining agreements.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the importance of collective bargaining agreements for its own workforce.

**Q94: Please, rate to what extent do you think S1-22 – Collective bargaining coverage**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Some companies may be applying collective bargaining agreements to organising their labour relations including wage setting but not be legally bound to them.

It is not clear to what extent these companies are covered by this disclosure requirement.

Preferential treatment of collective bargaining would also contradict with the constitutionally guaranteed negative freedom of association in some countries.

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

## **DR S1-23 – Work stoppages**

The undertaking shall disclose the extent of major work stoppages (including both strikes and lockouts) because of disputes between the undertaking and its own workforce.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent of worker disputes and their impact on the undertaking’s operations.



**Q95: Please, rate to what extent do you think S1-23 – Work stoppages**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

There is no evident basis for this disclosure requirement within the draft CSRD.

## **DR S1-24 – Social dialogue**

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

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

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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

### **DR S1-25 – Identified cases of severe human rights issues and incidents**

The undertaking shall disclose the number of severe human rights issues and incidents connected to own workforce which occurred in the reporting year.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which severe human rights issues (e.g. forced labour, human trafficking or child labour) and incidents affecting the undertaking's own workforce through its activities or business relationships occurred in the reporting year.

**Q97: Please, rate to what extent do you think S1-25 – Identified cases of severe human rights issues and incidents**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

### **DR S1-26 – Privacy at work**

The undertaking shall disclose the right to privacy at work for its own workforce.

The principle underlying this Disclosure Requirement is to provide an understanding of an undertaking's measures on personal data protection concerning its workforce and the nature and extent of worker surveillance that is conducted.

**Q98: Please, rate to what extent do you think S1-26 – Privacy at work**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

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

## **DR S2-1 - Policies related to value chain workers**

The undertaking shall state its policies that address the management of its material impacts on value chain workers, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on value chain workers specifically, as well as policies that cover material risks or opportunities related to value chain workers, or policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the value chain workers whose interests they address, are made aware of their existence and content.



**Q99: Please, rate to what extent do you think S2-1 – Policies related to value chain workers**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

A first general comment concerns the high difficulty and costs for companies in finding information on workers throughout the value chain, due to the broad definition of 'value chain' and 'workers in the value chain'.

We note that the text of CSDR agreed in the Trilogue expressly addressed the issue of proportionality of disclosure requirements providing that: (i) the standards shall avoid disproportionate administrative burden on undertakings, including by taking account to the greatest extent possible the work of global standard-setting initiatives for sustainability reporting (Article 29b, par. 2); and (ii) the standards shall also take account of the difficulties that undertakings may encounter in gathering information from actors throughout their value chain, especially from those which are not obliged to report sustainability information pursuant to Article 19a or 29a of this Directive and from suppliers in emerging markets and economies. Standards shall specify disclosures on value chains that are proportionate and relevant to the scale and complexity of the activities, and the capacities and characteristics of undertakings in value chains, especially those of undertakings that are not subject to the sustainability reporting obligations of Articles 19a or 29a of this Directive. Standards shall not specify disclosures that would require undertakings to obtain information from small and medium-sized undertakings in their value chain that exceeds the information to be disclosed according to the sustainability reporting standards for small and medium-sized undertakings referred to in Article 29c.

Also, the Application Guidance clarifies that companies shall give information in relation to the value chain that they themselves possess or should be able to produce within a reasonable time frame (AG2).

We therefore suggest that disclosure requirements set forth in the present Draft Standard are reviewed and updated in light of the proportionality principle set forth in the final text of the CSDR and suggested in the AG.

In this perspective, we suggest that 'self-employed worker', which are currently within the definition of Own Workforce and subject of stringent disclosure requirements set forth by ESRS S1, are assimilated to Workers in the Value Chain and are subject to ESRS S2.

A second general comment related to the fact that the principle of providing information on how the company engages with Value Chain workers is seen as part of the company's due diligence process. In this respect, it should be made expressly clear that it is a mere 'reporting obligation' and that information is due to the extent that the company engages in certain behaviors/activities. So, the disclosure requirement should refer to 'if and how' the company engages with Value Chain Workers. A flexible approach is suggested in S2-1, Par. 17, which makes clear that the company may not disclose the required information, because it does not believe it has material impacts, risk or opportunities in relation to value chain workers.

A third general comment relates to the scope of ESRS S2. This standard only considers labour-related aspects of the value chain. Clearly all other impacts related to the value chain are to be included in the relevant standards (environmental, governance) but this standard is not as directly related to suppliers as it

might seem at first sight.

A more specific comment refers to S2-1, Par. 15, according to which the company shall state human rights policy commitment that are relevant to value chain workers as well as those that address respect for human rights of all stakeholders and engagement with affected stakeholders (lett. a and b). Here, the reference to stakeholders - already provided for in the cross-cutting standard (ESRS 2) - is not relevant and should be deleted.

## **DR S2-2 - Processes for engaging with value chain workers about impacts**

The undertaking shall explain its general processes for engaging with value chain workers and their representatives about actual and potential material impacts on them.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages, as part of its ongoing due diligence process, with value chain workers and related trade union and worker representatives about material actual and potential positive and/or negative impacts that do or may affect them, and whether and how perspectives of value chain workers are taken into account in the decision-making processes of the undertaking.

**Q100: Please, rate to what extent do you think S2-2 – Processes for engaging with value chain workers about impacts**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

A first general comment concerns the high difficulty and costs for companies in finding information on workers throughout the value chain, due to the broad definition of 'value chain' and 'workers in the value chain'.

We note that the text of CSDR agreed in the Trilogue expressly addressed the issue of proportionality of disclosure requirements providing that: (i) the standards shall avoid disproportionate administrative burden on undertakings, including by taking account to the greatest extent possible the work of global standard-setting initiatives for sustainability reporting (Article 29b, par. 2); and (ii) the standards shall also take account of the difficulties that undertakings may encounter in gathering information from actors throughout their value chain, especially from those which are not obliged to report sustainability information pursuant to Article 19a or 29a of this Directive and from suppliers in emerging markets and economies. Standards shall specify disclosures on value chains that are proportionate and relevant to the scale and complexity of the activities, and the capacities and characteristics of undertakings in value chains, especially those of undertakings that are not subject to the sustainability reporting obligations of Articles 19a or 29a of this Directive. Standards shall not specify disclosures that would require undertakings to obtain information from small and medium-sized undertakings in their value chain that exceeds the information to be disclosed according to the sustainability reporting standards for small and medium-sized undertakings referred to in Article 29c.

Also, the Application Guidance clarifies that companies shall give information in relation to the value chain that they themselves possess or should be able to produce within a reasonable time frame (AG2).

We therefore suggest that disclosure requirements set forth in the present Draft Standard are reviewed and updated in light of the proportionality principle set forth in the final text of the CSDR and suggested in the AG.

In this perspective, we suggest that 'self-employed worker', which are currently within the definition of Own Workforce and subject of stringent disclosure requirements set forth by ESRS S1, are assimilated to Workers in the Value Chain and are subject to ESRS S2.

A second general comment related to the fact that the principle of providing information on how the company engages with Value Chain workers is seen as part of the company's due diligence process. In this respect, it should be made expressly clear that it is a mere 'reporting obligation' and that information is due to the extent that the company engages in certain behaviors/activities. So, the disclosure requirement should refer to 'if and how' the company engages with Value Chain Workers. This flexible approach is suggested in DRS2-2, Par. 19 and AG 29, 30, 31; and Par. 20 and AG 32.

These standards do not include performance indicators making them very generic and of little use in providing comparable information, as required by the directive.

## **DR S2-3 – Channels for value chain workers to raise concerns**

The undertaking shall describe:

1. the channels it has in place for value chain workers to raise their concerns or needs directly with the undertaking; and/or
2. the processes through which the undertaking supports the availability of such channels through the workplace of value chain workers; and
3. how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which value chain workers can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of grievance mechanisms in the workplace of value chain workers, how there is follow up with these workers regarding the issues raised and the effectiveness of these channels.

**Q101: Please, rate to what extent do you think S2-3 – Channels for value chain workers to raise concerns**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

A first general comment concerns the high difficulty and costs for companies in finding information on workers throughout the value chain, due to the broad definition of 'value chain' and 'workers in the value chain'.

We note that the text of CSDR agreed in the Trilogue expressly addressed the issue of proportionality of disclosure requirements providing that: (i) the standards shall avoid disproportionate administrative burden on undertakings, including by taking account to the greatest extent possible the work of global standard-setting initiatives for sustainability reporting (Article 29b, par. 2); and (ii) the standards shall also take account of the difficulties that undertakings may encounter in gathering information from actors throughout their value chain, especially from those which are not obliged to report sustainability information pursuant to Article 19a or 29a of this Directive and from suppliers in emerging markets and economies. Standards shall specify disclosures on value chains that are proportionate and relevant to the scale and complexity of the activities, and the capacities and characteristics of undertakings in value chains, especially those of undertakings that are not subject to the sustainability reporting obligations of Articles 19a or 29a of this Directive. Standards shall not specify disclosures that would require undertakings to obtain information from small and medium-sized undertakings in their value chain that exceeds the information to be disclosed according to the sustainability reporting standards for small and medium-sized undertakings referred to in Article 29c.

Also, the Application Guidance clarifies that companies shall give information in relation to the value chain that they themselves possess or should be able to produce within a reasonable time frame (AG2).

We therefore suggest that disclosure requirements set forth in the present Draft Standard are reviewed and updated in light of the proportionality principle set forth in the final text of the CSDR and suggested in the AG.

In this perspective, we suggest that 'self-employed worker', which are currently within the definition of Own Workforce and subject of stringent disclosure requirements set forth by ESRS S1, are assimilated to Workers in the Value Chain and are subject to ESRS S2.

A second general comment related to the fact that the principle of providing information on how the company engages with Value Chain workers is seen as part of the company's due diligence process. In this respect, it should be made expressly clear that it is a mere 'reporting obligation' and that information is due to the extent that the company engages in certain behaviors/activities. So, the disclosure requirement should refer to 'if and how' the company engages with Value Chain Workers. A flexible approach is suggested in DR S2-3, Par. 25.

These standards do not include performance indicators making them very generic and of little use in providing comparable information, as required by the directive.



## **DR S2-4 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The undertaking shall explain the outcome-oriented targets it may have related to:

1. reducing negative impacts on value chain workers; and/or
2. advancing positive impacts on value chain workers; and/or
3. managing material risks and opportunities related to value chain workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure its progress in addressing negative impacts, and/or advancing positive impacts, on value chain workers, and/or in managing material risks and opportunities related to value chain workers.

**Q102: Please, rate to what extent do you think S2-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

A first general comment concerns the high difficulty and costs for companies in finding information on workers throughout the value chain, due to the broad definition of 'value chain' and 'workers in the value chain'.

We note that the text of CSDR agreed in the Trilogue expressly addressed the issue of proportionality of disclosure requirements providing that: (i) the standards shall avoid disproportionate administrative burden on undertakings, including by taking account to the greatest extent possible the work of global standard-setting initiatives for sustainability reporting (Article 29b, par. 2); and (ii) the standards shall also take account of the difficulties that undertakings may encounter in gathering information from actors throughout their value chain, especially from those which are not obliged to report sustainability information pursuant to Article 19a or 29a of this Directive and from suppliers in emerging markets and economies. Standards shall specify disclosures on value chains that are proportionate and relevant to the scale and complexity of the activities, and the capacities and characteristics of undertakings in value chains, especially those of undertakings that are not subject to the sustainability reporting obligations of Articles 19a or 29a of this Directive. Standards shall not specify disclosures that would require undertakings to obtain information from small and medium-sized undertakings in their value chain that exceeds the information to be disclosed according to the sustainability reporting standards for small and medium-sized undertakings referred to in Article 29c.

Also, the Application Guidance clarifies that companies shall give information in relation to the value chain that they themselves possess or should be able to produce within a reasonable time frame (AG2).

We therefore suggest that disclosure requirements set forth in the present Draft Standard are reviewed and updated in light of the proportionality principle set forth in the final text of the CSDR and suggested in the AG.

In this perspective, we suggest that 'self-employed worker', which are currently within the definition of Own Workforce and subject of stringent disclosure requirements set forth by ESRS S1, are assimilated to Workers in the Value Chain and are subject to ESRS S2.

A second general comment related to the fact that the principle of providing information on how the company engages with Value Chain workers is seen as part of the company's due diligence process. In this respect, it should be made expressly clear that it is a mere 'reporting obligation' and that information is due to the extent that the company engages in certain behaviors/activities. So, the disclosure requirement should refer to 'if and how' the company engages with Value Chain Workers.

These standards do not include performance indicators making them very generic and of little use in providing comparable information, as required by the directive. In addition, it should be indicated how to define targets in the absence of performance indicators.

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

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### **DR S2-5 - Taking action on material impacts on value chain workers and effectiveness of those actions**

The undertaking shall explain:

1. what action is planned or underway to prevent, mitigate or remedy material negative impacts on value chain workers that are connected to its operations, products or services;
2. any additional initiatives or processes it has in place with the primary purpose of delivering positive impacts for value chain workers; and
3. how it assesses the effectiveness of these actions, programmes and processes in delivering intended outcomes for value chain workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the types of process, initiative or engagement through which the undertaking (a) works to prevent, mitigate and remedy material impacts on value chain workers, or (b) seeks to achieve positive impacts for value chain workers, recognising that in both instances, the ultimate aim is to deliver improved outcomes in workers' lives.

**Q103: Please, rate to what extent do you think S2-5 – Taking action on material impacts on value chain workers and effectiveness of those actions**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

A first general comment concerns the high difficulty and costs for companies in finding information on workers throughout the value chain, due to the broad definition of 'value chain' and 'workers in the value chain'.

We note that the text of CSDR agreed in the Trilogue expressly addressed the issue of proportionality of disclosure requirements providing that: (i) the standards shall avoid disproportionate administrative burden on undertakings, including by taking account to the greatest extent possible the work of global standard-setting initiatives for sustainability reporting (Article 29b, par. 2); and (ii) the standards shall also take account of the difficulties that undertakings may encounter in gathering information from actors throughout their value chain, especially from those which are not obliged to report sustainability information pursuant to Article 19a or 29a of this Directive and from suppliers in emerging markets and economies. Standards shall specify disclosures on value chains that are proportionate and relevant to the scale and complexity of the activities, and the capacities and characteristics of undertakings in value chains, especially those of undertakings that are not subject to the sustainability reporting obligations of Articles 19a or 29a of this Directive. Standards shall not specify disclosures that would require undertakings to obtain information from small and medium-sized undertakings in their value chain that exceeds the information to be disclosed according to the sustainability reporting standards for small and medium-sized undertakings referred to in Article 29c.

Also, the Application Guidance clarifies that companies shall give information in relation to the value chain that they themselves possess or should be able to produce within a reasonable time frame (AG2).

We therefore suggest that disclosure requirements set forth in the present Draft Standard are reviewed and updated in light of the proportionality principle set forth in the final text of the CSDR and suggested in the AG.

In this perspective, we suggest that 'self-employed worker', which are currently within the definition of Own Workforce and subject of stringent disclosure requirements set forth by ESRS S1, are assimilated to Workers in the Value Chain and are subject to ESRS S2.

A second general comment related to the fact that the principle of providing information on how the company engages with Value Chain workers is seen as part of the company's due diligence process. In this respect, it should be made expressly clear that it is a mere 'reporting obligation' and that information is due to the extent that the company engages in certain behaviors/activities. So, the disclosure requirement should refer to 'if and how' the company engages with Value Chain Workers. This is especially true for DR S2-5, where AG 54 clarifies that 'given that material negative impacts affecting value chain workers may not be caused by the undertaking alone and may be linked to entities or operations outside its direct control, the undertaking shall explain whether and how it seeks to use leverage with relevant business relationships to manage those impacts'.

These standards do not include performance indicators making them very generic and of little use in

providing comparable information, as required by the directive. When requesting to define actions on material impacts, it should be indicated how to define those actions in the absence of performance indicators.

## **DR S2-6 - Approaches to mitigating material risks and pursuing material opportunities related to value chain workers**

The undertaking shall explain:

1. what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on value chain workers; and
2. what action is planned or underway to pursue material opportunities for the undertaking in relation to value chain workers.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to workers in its value chain.

**Q104: Please, rate to what extent do you think S2-6 – Approaches to mitigating material risks and pursuing material opportunities related to value chain workers**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

A first general comment concerns the high difficulty and costs for companies in finding information on workers throughout the value chain, due to the broad definition of 'value chain' and 'workers in the value chain'.

We note that the text of CSDR agreed in the Trilogue expressly addressed the issue of proportionality of disclosure requirements providing that: (i) the standards shall avoid disproportionate administrative burden on undertakings, including by taking account to the greatest extent possible the work of global standard-setting initiatives for sustainability reporting (Article 29b, par. 2); and (ii) the standards shall also take account of the difficulties that undertakings may encounter in gathering information from actors throughout their value chain, especially from those which are not obliged to report sustainability information pursuant to Article 19a or 29a of this Directive and from suppliers in emerging markets and economies. Standards shall specify disclosures on value chains that are proportionate and relevant to the scale and complexity of the activities, and the capacities and characteristics of undertakings in value chains, especially those of undertakings that are not subject to the sustainability reporting obligations of Articles 19a or 29a of this Directive. Standards shall not specify disclosures that would require undertakings to obtain information from small and medium-sized undertakings in their value chain that exceeds the information to be disclosed according to the sustainability reporting standards for small and medium-sized undertakings referred to in Article 29c.

Also, the Application Guidance clarifies that companies shall give information in relation to the value chain that they themselves possess or should be able to produce within a reasonable time frame (AG2).

We therefore suggest that disclosure requirements set forth in the present Draft Standard are reviewed and updated in light of the proportionality principle set forth in the final text of the CSDR and suggested in the AG.

In this perspective, we suggest that 'self-employed worker', which are currently within the definition of Own Workforce and subject of stringent disclosure requirements set forth by ESRS S1, are assimilated to Workers in the Value Chain and are subject to ESRS S2.

A second general comment related to the fact that the principle of providing information on how the company engages with Value Chain workers is seen as part of the company's due diligence process. In this respect, it should be made expressly clear that it is a mere 'reporting obligation' and that information is due to the extent that the company engages in certain behaviors/activities. So, the disclosure requirement should refer to 'if and how' the company engages with Value Chain Workers.

These standards do not include performance indicators making them very generic and of little use in providing comparable information, as required by the directive.

## **DR S3-1 – Policies related to affected communities**

The undertaking shall state its policies that address the management of its material impacts on communities, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of material impacts on local communities specifically, as well as policies that cover material risks or opportunities related to affected communities, or policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the local communities whose interests they address, are made aware of their existence and content.

**Q105: Please, rate to what extent do you think S3-1 – Policies related to affected communities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

In general, we observe that there is no mandatory requirement in the CSRD to provide information on “affected communities”, apart from the governance parameter, which requires the standard setter to set disclosure standards regarding “the management and quality of relationships” with this specific stakeholder group (see art. 29b, par. 2, (c) (ii) CSRD consolidated text). In this light, even if consistent with international standard setters, the first issue of concern regards the choice of this stakeholder group (namely affected communities) over possible others. For this purpose, we suggest considering whether such a disclosure requirement is “sector-agnostic” and consistent with other disclosure requirements. In this latter case, we observe that while some environmental standards clearly refer to S3, it is not clear why such correspondence with environmental standards is not found in this S3 social standard.

A second issue of concern regards the scope of the reporting requirements which appears very broad, considering that reporting information about the value chain could be very complex and burdensome, also with regard to costs, and lead to an information overload and unclarity. In particular, paragraph 1 (guidance) requires information that will enable users to understand “how the undertaking affects its local communities through its operation and its upstream and downstream value chain”. This provision appears very broad and inconsistent with the proportionality approach established in the consolidated CSRD, where it clarifies that “standards shall also take into account of the difficulties that undertaking may encounter in gathering information from actors throughout their value chain, especially from those that” are not subject to the CSRD (art. 29b, par. 2b CSRD consolidated text). In this light, we believe that this application guideline shall be adjusted, in order to ensure the consistency with the CSRD according to which the “disclosures on value chains shall be proportionate and relevant to the scale and complexity of activities, and the capacities and characteristics of undertakings in value chains” and, with regard to the SMEs in the value chain, shall not “exceed the information to be disclosed according to sustainability reporting standards for SMEs referred to in Art. 29c”.

Notably, the proportionality issues is partially considered in AG2 and should be in our view extended to disclosure requirements themselves.

Moreover, we believe that the disclosure requirement S3-1 shall be simplified and focused on the specific stakeholder category of “affected communities”. For this purpose, we suggest deleting any reference to stakeholders (par. 14(a) and (c)), inasmuch it appears confusing, and it overlaps with cross-cutting requirements; same clarification is needed also in par. 15.

## **DR S3-2 – Processes for engaging with affected communities about impacts**

The undertaking shall explain its general processes for engaging with affected communities and their representatives about actual and potential material impacts on them.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages as part of its ongoing due diligence process with affected communities about material

actual and potential positive and/or negative impacts that do or may affect them, and whether and how perspectives of affected communities are taken into account in the decision-making processes of the undertaking.

**Q106: Please, rate to what extent do you think S3-2 – Processes for engaging with affected communities about impacts**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The information requirement S3-2 goes beyond the scope of the CSRD, which requires to provide information on the “management and quality” of the relationships with affected communities. In particular, we highlight that this disclosure standard requires to provide information on “whether and how perspectives of affected communities are taken into account in the decision making-process of the undertaking” (par. 18) and very detailed information on whether and how the perspectives of affected communities inform its decisions and activities (par. 19). Both requirements go beyond the CSRD and make mandatory an information requirement that is only optional in international standards; therefore, we suggest a strong simplification of this requirement. In this respect, it should be made expressly clear that it is a mere ‘reporting obligation’ and that information is due to the extent that the company engages in certain behaviors/activities (i.e “if and how”), such as for example in S3-1, par. 16. Moreover, we recall the issue of proportionality mentioned in our response to Q. 106.

## **DR S3-3 – Channels for affected communities to raise concerns**

The undertaking shall describe:

1. the channels it has in place for affected communities to raise their concerns or needs directly with the undertaking; and/or
2. the processes through which the undertaking supports the availability of such channels by its business relationships; and
3. how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which affected communities can make their concerns and needs known directly to the undertaking, and/or through which the undertaking supports the availability of mechanisms by its business relationships, how there is follow up with these communities regarding the issues raised, and the effectiveness of these channels.

**Q107: Please, rate to what extent do you think S3-3 – Channels for affected communities to raise concerns**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The information requirement S3-3 goes beyond the scope of the CSRD, which requires to provide information on the “management and quality” of the relationships with affected communities. In first instance, we notice that the CSRD does not require the establishment of these channels; secondly, par. 21 (b) extends such information requirement also to the “process through which the undertaking supports the availability of such channels by its business relationship, which appears to be inconsistent with the proportionality principle already mentioned in our general comment to Q. 105. These requirements go beyond the CSRD and make mandatory an information requirement that is only optional in international standards; therefore, we suggest a strong simplification of this requirement. In this respect, it should be made expressly clear that it is a mere ‘reporting obligation’ and that information is due to the extent that the company engages in certain behaviors/activities (i.e “if and how”), such as for example in S3-1, par. 16.

## **DR S3-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The undertaking shall explain the outcome-oriented targets it may have related to:

1. reducing negative impacts on affected communities; and/or
2. advancing positive impacts on affected communities; and/or
3. managing material risks and opportunities related to affected communities.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure progress in addressing negative impacts, and/or advancing positive impacts, on affected communities.

**Q108: Please, rate to what extent do you think S3-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The disclosure requirement appears vague, inasmuch it does not provide for any parameter for the definition of targets and plans. In this light, performance indicators appear very generic and of little use in providing comparable information, as required by the directive. In addition, it should be indicated how to define targets in the absence of performance indicators.

Moreover, we reiterate the call for a better proportionality (see Q. 105) and the clarification of the “reporting obligation” (see Q. 106).

## **DR S3-5 – Taking action on material impacts on affected communities and effectiveness of those actions**

**Q109: Please, rate to what extent do you think S3-5 – Taking action on material impacts on affected communities and effectiveness of those actions**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The disclosure requirement appears vague, inasmuch it does not provide for any parameter for the definition of targets and plans. In this light, performance indicators appear very generic and of little use in providing comparable information, as required by the directive. In addition, it should be indicated how to define targets in the absence of performance indicators.

Moreover, we reiterate the call for a better proportionality (see Q. 105) and the clarification of the “reporting obligation” (see Q. 106).

## **DR S3-6 - Approaches to mitigating material risks and pursuing material opportunities related to affected communities**

The undertaking shall explain:

1. what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on local communities; and
2. what action is planned or underway to pursue material opportunities for the undertaking in relation to local communities.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to affected communities.

**Q110: Please, rate to what extent do you think S3-6 – Approaches to mitigating material risks and pursuing material opportunities related to affected communities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The disclosure requirement appears vague, inasmuch it does not provide for any parameter for the definition of targets and plans. In this light, performance indicators appear very generic and of little use in providing comparable information, as required by the directive. In addition, it should be indicated how to define targets in the absence of performance indicators.

Moreover, we reiterate the call for a better proportionality (see Q. 105) and the clarification of the “reporting obligation” (see Q. 106).

## **DR S4-1 – Policies related to consumers and end-users**

The undertaking shall state its policies that address the management of its material impacts of its products and/or services on consumers and end-users, as well as associated material risks and opportunities; and provide a summary of the content of the policies and how they are communicated.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking has policies that address the identification, assessment, management and/or remediation of impacts on consumers and end-users specifically, as well as policies that cover material risks or opportunities related to consumers and end-users, or policies that cover impacts, risks and opportunities in one policy. It also aims to provide an understanding of how both the internal organisation, and the consumers and end-users whose interests they address, are made aware of their existence and content.

**Q111: Please, rate to what extent do you think S4-1 – Policies related to consumers and end-users**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

In general, we observe that there is no mandatory requirement in the CSRD to provide information on “consumers and end-users”, apart from the governance parameter, which requires the standard setter to set disclosure standards regarding “the management and quality of relationships” with this specific stakeholder group (see art. 29b, par. 2, (c) (ii) CSRD consolidated text). In this light, even if consistent with international standard setters, the first issue of concern regards the choice of this stakeholder group (namely consumers and end-users) over possible others.

A second issue of concern regards the scope of the reporting requirements which appears very broad, considering that reporting information about the value chain could be very complex and burdensome, also with regard to costs, and lead to an information overload and unclarity. In particular, the application guideline AG9 states that the undertaking “shall ensure that all consumers and end users who can be materially impacted through the undertaking’s own operations or in its upstream or downstream value chain by a business relationship related to the undertaking’s products, services and activities are included in the scope of its reporting under ESRS 2”. This provision appears very broad and inconsistent with the proportionality approach established in the consolidated CSRD, where it clarifies that “standards shall also take into account of the difficulties that undertaking may encounter in gathering information from actors throughout their value chain, especially from those that” are not subject to the CSRD (art. 29b, par. 2b CSRD consolidated text). In this light, we believe that this application guideline shall be adjusted, in order to ensure the consistency with the CRSD according to which the “disclosures on value chains shall be proportionate and relevant to the scale and complexity of activities, and the capacities and characteristics of undertakings in value chains” and, with regard to the SMEs in the value chain, shall not “exceed the information to be disclosed according to sustainability reporting standards for SMEs referred to in Art. 29c”. Notably, the proportionality issues is partially considered in AG2 and should be in our view extended to disclosure requirements themselves.

More in detail, we believe that the disclosure requirement S4-1 shall be simplified and focused on the specific stakeholder category of “consumers and end-users”. For this purpose, we suggest deleting any reference to stakeholders (par. 13(a) and (c)), inasmuch it appears confusing, and it overlaps with cross-cutting requirements; same clarification is needed also in par. 14.

## **DR S4-2 – Processes for engaging with consumers and end-users about impacts**

The undertaking shall explain its general processes for engaging with consumers and end-users and their representatives about actual and potential material impacts on them.

The principle to be followed under this Disclosure Requirement is to provide an understanding of how the undertaking engages as part of its ongoing due diligence process with consumers and end-users about

material actual and potential positive and/or negative impacts that do or may affect them, and whether and how perspectives of consumers and end-users are taken into account in the decision-making processes of the undertaking.

**Q112: Please, rate to what extent do you think S4-2 – Processes for engaging with consumers and end-users about impacts**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The information requirement S4-2 goes beyond the scope of the CSRD, which requires to provide information on the “management and quality” of the relationships with customers. In particular, we highlight that this disclosure standard requires to provide information on “whether and how perspectives of consumers and end-users are taken into account in the decision making-process of the undertaking” (par. 17) and very detailed information on whether and how the perspectives of consumers and end-users inform its decisions and activities (par. 18). Both requirements go beyond the CSRD and make mandatory an information requirement that is only optional in international standards; therefore, we suggest a strong simplification of this requirement. The mere reference to the rebuttable presumption does not seem enough clear to ensure that this information is only optional. In this respect, it should be made expressly clear that it is a mere ‘reporting obligation’ and that information is due to the extent that the company engages in certain behaviors /activities (i.e “if and how”), such as for example in S4-1, par. 15. Moreover, we recall the issue of proportionality mentioned in our response to Q. 111.

## **DR S4-3 – Channels for consumers and end-users to raise concerns**

The undertaking shall describe:

1. the channels it has in place for consumers and end-users to raise their concerns/complaints or needs directly with the undertaking; and/or
2. the processes through which the undertaking supports the availability of mechanisms by its business relationships; and
3. how it monitors issues raised and addressed.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the formal means by which consumers and end-users can make their concerns and needs known directly to the undertaking and/or through which the undertaking supports the availability of mechanisms by its business relationships, how there is follow up with these consumers and end-users regarding the issues raised, and the effectiveness of these channels.

**Q113: Please, rate to what extent do you think S4-3 – Channels for consumers and end-users to raise concerns**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The information requirement S4-3 goes beyond the scope of the CSRD, which requires to provide information on the “management and quality” of the relationships with customers. In first instance, we notice that the CSRD does not require the establishment of these channels; secondly, par. 19 (b) extends such information requirement also to the “process through which the undertaking supports the availability of such channels by its business relationship, which appears to be inconsistent with the proportionality principle already mentioned in our general comment to Q. 111.

These requirements go beyond the CSRD and make mandatory an information requirement that is only optional in international standards; therefore, we suggest a strong simplification of this requirement. In this respect, it should be made expressly clear that it is a mere ‘reporting obligation’ and that information is due to the extent that the company engages in certain behaviors/activities (i.e “if and how”), such as for example in S4-1, par. 15.

## **DR S4-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The undertaking shall explain the outcome-oriented targets it may have related to:

1. reducing negative impacts on consumers and end-users; and/or
2. advancing positive impacts on consumers and end-users; and/or
3. managing material risks and opportunities.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the extent to which the undertaking is using outcome-oriented targets to drive and measure progress in addressing negative impacts, and/or advancing positive impacts, on consumers and end-users.

**Q114: Please, rate to what extent do you think S4-4 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The disclosure requirement appears vague, inasmuch it does not provide for any parameter for the definition of targets and plans. In this light, performance indicators appear very generic and of little use in providing comparable information, as required by the directive. In addition, it should be indicated how to define targets in the absence of performance indicators.

Moreover, we reiterate the call for a better proportionality (see Q. 111) and the clarification of the “reporting obligation” (see Q. 112).

## **DR S4-5 – Taking action on material impacts on consumers and end-users and effectiveness of those actions**

The undertaking shall explain:

1. what action is planned or underway to prevent, mitigate or remedy material negative impacts on consumers and end-users who are connected to its operations, products or services;
2. any additional initiatives or processes it has in place with the primary purpose of positively contributing to improved social outcomes for consumers and end-users; and
3. how it assesses the effectiveness of these actions, programmes and processes in contributing to intended outcomes for consumers and end-users.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the types of process, initiative or engagement through which the undertaking:

1. works to prevent, mitigate and remedy material impacts on consumers and end-users, and
2. seeks to achieve positive impacts for consumers and end-users, recognising that in both instances, the ultimate aim is to deliver improved outcomes for consumers' and end-users' lives.



**Q115: Please, rate to what extent do you think S4-5 – Taking action on material impacts on consumers and end-users and effectiveness of those actions**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The disclosure requirement appears vague, inasmuch it does not provide for any parameter for the definition of targets and plans. In this light, performance indicators appear very generic and of little use in providing comparable information, as required by the directive. In addition, it should be indicated how to define targets in the absence of performance indicators.

Moreover, we reiterate the call for a better proportionality (see Q. 111) and the clarification of the “reporting obligation” (see Q. 112).

## **DR S4-6 – Approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users**

The undertaking shall explain:

1. what action is planned or underway to mitigate material risks for the undertaking arising from its impacts and dependencies on consumers and end-users; and
2. what action is planned or underway to pursue material opportunities for the undertaking in relation to consumers and end-users.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the ways in which the undertaking is addressing the material risks and pursuing the material opportunities related to consumers and end-users.

**Q116: Please, rate to what extent do you think S4-6 – Approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The disclosure requirement appears vague, inasmuch it does not provide for any parameter for the definition of targets and plans. In this light, performance indicators appear very generic and of little use in providing comparable information, as required by the directive. In addition, it should be indicated how to define targets in the absence of performance indicators.

Moreover, we reiterate the call for a better proportionality (see Q. 111) and the clarification of the “reporting obligation” (see Q. 112).

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

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

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

A complete index of Disclosure Requirements and their corresponding Application Guidance can be found in Appendix I – Navigating the ESRS.

### **DR G1-1 – Governance structure and composition**

The undertaking shall provide information on its governance structure and composition.

The principle to be followed under this Disclosure Requirement is to provide an understanding of the structure and composition of the governance and the distribution of roles and responsibilities throughout the undertaking’s organisation, from its administrative, management and supervisory bodies to its executive and operational levels.

**Q117: Please, rate to what extent do you think G1-1 – Governance structure and composition**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The fact that parts of G1-1 go beyond the scope of the CSRD (see below general comments in the last text box of this q. 117) and that they represent significant new requirements for unlisted companies, raise significant doubts on the reasonability of costs for both listed and unlisted firms. For listed ones, the problem stems from the prohibition of “cross-reference” to reports other than the management report, considering that listed companies are allowed to publish this information in the separate corporate governance report and in the remuneration policy. For unlisted ones, the problem is also a substantial one, inasmuch they would be mandated to report new information (which are not required by the CSRD). Considering the requirement of the CSRD to provide information on “a description of the role of the administrative, management and supervisory bodies with regard to sustainability matters, and of their expertise and skills to fulfil this role or access to such expertise and skills;” (new art. 19a, par. 2, (c)), we observe that some of the disclosure requirements set in G1-1 fit the purpose of providing adequate information on the role and the composition of the board, while other disclosure requirements appear to go beyond this scope, requesting information that is usually provided by listed companies only and, in some cases, on voluntary basis. The choice to include this information in the standards entails significant consequences, making this information disclosure: (i) mandatory for listed firms, regardless of the fact that this information is originally provided on a mandatory or voluntary basis, and (ii) mandatory for unlisted firms that are subject to the CSRD, who are neither required nor used to disclose such information. Such an extension does not seem to be covered by the CSRD and thus by its mandate for reporting standards and, at the same time, appears unnecessary for pursuing the informative goal set by the same directive. Moreover, it would introduce unclarity (e.g. definition of independence, meaning of significant position and relevant competencies etc) and a significant increase of costs for unlisted firms.

Moreover, the stated purpose in paragraph 13 of ESRS G-1 is to provide an understanding of the structure and composition of the governance and the distribution of roles and responsibilities throughout the undertaking’s organisation, from its administrative, management and supervisory bodies to its executive and operational levels. However, we believe that this standard should relate to article 19a(2) c and article 29a(2) c, that sets two important definition of the information required: 1) the information shall be limited to the role of the administrative, management and supervisory bodies with regard to sustainability matters and thus shall not imply a general governance disclosure; 2) the information regards only the corporate bodies and is not extended to other management and operational levels within the company or group. These two aspects result in an excessive disclosure burden and are inconsistent with the CSRD.

For these reasons, we propose to delete the disclosure requirements regarding the distribution of roles and responsibilities at “its executive and operational levels” (par. 13), the independence of board members (14., lett. d), their tenure (14., lett. e), the information on other significant positions (14., lett. f) and competencies relevant to the sector, products and geographic locations of the undertaking (14., lett. h).

The reference to the representation of stakeholder groups is misleading, inasmuch it applies only under specific circumstances (transnational mergers) or in specific national jurisdictions. For this reason, we suggest clarifying that information on representation of stakeholder groups (14, lett. g) shall be disclosed only if applicable; where no rules require stakeholders’ representatives in the board, the information shall be omitted.

For general comments see also our answer to Q49.

## **DR G1-2 – Corporate governance code or policy**

The undertaking shall disclose the corporate governance code, policy or practices that determine the function of its administrative, management or supervisory bodies.

The principle to be followed under this Disclosure Requirement is to provide information about any legal or regulatory requirements that mandate and influence the design of the governance structure of the undertaking, together with information on aspects implemented that are over and above any relevant legal or regulatory requirements.

**Q118: Please, rate to what extent do you think G1-2 – Corporate governance code or policy**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The G1-2 goes beyond the scope of the CSRD (see below general comments to G1-2), does not reflect GRI standards and basically extends to unlisted firms a mandatory disclosure requirement provided explicitly for listed ones. This approach raises significant doubts on the reasonability of costs for both listed and unlisted firms. For listed ones, the problem stems from the prohibition of “cross-reference” to reports other than the management report, considering that listed companies are allowed to publish this information in the separate corporate governance report. For unlisted ones, the problem is a substantial one, inasmuch they would be mandated to report new information (which are not required by the CSRD) and has difficult application in the environment of a private company. The information required in G1-2 is out of the scope of the CSRD and namely its requirement to provide information on “a description of the role of the administrative, management and supervisory bodies with regard to sustainability matters, and of their expertise and skills to fulfil this role or access to such expertise and skills;” (new art. 19a, par. 2, (c)). Moreover, we observe that the whole G1-2 does not seem to reflect international best practices, but rather duplicates the explicit informative requirement set in art. 20 of the Directive 2013/34/UE, which applies to listed companies only and provides for a very detailed informative framework (e.g. not only adoption of the code, but also explanations about the dis-application of any code’s recommendation).

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

Moreover, this information requirements would introduce unnecessary (not required by the CSRD), unclear (e.g. which are the best practices and the codes that shall be considered by a unlisted company?) and thus unjustified disclosure burdens for unlisted firms subject to the SR.

Accordingly, we suggest eliminating this disclosure standard altogether.

For general comments see also our answer to Q49.

## **DR G1-3 – Nomination process**

The undertaking shall provide information about the nomination and selection processes for its administrative, management and supervisory bodies.

The principle to be followed under this Disclosure Requirement is to provide information about the criteria used for selecting and nominating the members of the undertaking’s administrative, management and supervisory bodies.

**Q119: Please, rate to what extent do you think G1-3 – Nomination process**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The information required in G1-3 is out of the scope of the CSRD and namely its requirement to provide information on “a description of the role of the administrative, management and supervisory bodies with regard to sustainability matters, and of their expertise and skills to fulfil this role or access to such expertise and skills;” (new art. 19a, par. 2, (c)). In this light, it would be better to avoid adding any additional layers of policy and disclosure for both listed and unlisted companies.

Considering the purpose of the disclosure standard, namely to provide relevant information about the composition and the role of the board, including with regard to sustainability matters, we believe that the information shall be adequately limited to the factual information regarding the composition of the board (as required in G1-9) and eventually to the diversity approach developed in the nomination process (with some proposals on G1-4, see below). Further information appears to be out of the scope of the CSRD and would impose a mandatory obligation to disclose some of the best practice information that are considered at global standards level (GRI).

In any case, considering the specific proposals, we believe that the requirement related to the involvement of stakeholders in the nomination process of the administrative, management and supervisory bodies is not appropriate. If such an element would be included, this should be a voluntary element of the disclosure, not mandatory.

Accordingly, we suggest eliminating this disclosure standard altogether. Material information of the governance of sustainability are already set in the cross-cutting ESRS 2.

For general comments see also our answer to Q49.

## **DR G1-4 – Diversity policy**

The undertaking shall provide information on the diversity policy applied in relation to its administrative, management and supervisory bodies.

The principle to be followed under this Disclosure Requirement is to provide information about the undertaking’s diversity policy to promote a diversified composition of its administrative, management and supervisory bodies. This shall also include the diversity criteria adopted with the associated rationale on their prioritisation, and the mechanism adopted to foster diversity representation.

**Q120: Please, rate to what extent do you think G1-4 – Diversity policy**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The information required in G1-4 is partially out of the scope of the CSRD. On one hand, we observe that mandatory information – to be applied on the comply or explain basis - about the diversity policy is provided only for listed companies (with possible exemptions for SMEs) by the current text of the Directive 2013/34 /UE; on the other hand, we believe that extending the disclosure requirements introduced by the NFRD for listed companies is not envisaged and thus out of the scope of the CSRD, which requires to provide information about “the role of the administrative, management and supervisory bodies with regard to sustainability matters and of their expertise and skills to fulfil this role or access to such expertise and skills” (new art. 19a, par. 2, (c)). The content of the proposed standard seems to reflect the intention of the standard setter to introduce mandatory obligation on an issue (namely the diversity policy) that is explicitly required to listed companies only. The choice to extend this mandatory requirement to unlisted firms would impose a mandatory requirement through a level 2 measure (EC delegated act) that is inconsistent with a level 1 measure (Directive 2013/34/UE).

More in detail, we observe that the reference to “minority or vulnerable groups” in par. 24, a), iii. appears vague and inconsistent also with current disclosure requirements for listed companies and shall be eliminated. In addition, the request set in par. 26, b) to identify and monitor specific target to be achieved appears too detailed and specific: at least, this information shall be provided only on optional basis, taking into account the cost/benefit assessment made by the undertakings.

Accordingly, we believe that this information requirement shall be eliminated. Material information of the governance of sustainability are already set in the cross-cutting ESRS 2.

For general comments see also our answer to Q49.

## **DR G1-5 – Evaluation process**

The undertaking shall describe the process, if any, followed for evaluating the performance of its administrative, management and supervisory bodies in overseeing the management of the undertaking.

The principle to be followed under this Disclosure Requirement is to provide transparency on the process implemented by the undertaking for the evaluation of the performance of its administrative, management and supervisory bodies in supervising the management of the undertaking.

**Q121: Please, rate to what extent do you think G1-5 – Evaluation process**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The information required in G1-5 is out of the scope of the CSRD and namely its requirement to provide information on “the role of the administrative, management and supervisory bodies with regard to sustainability matters and of their expertise and skills to fulfil this role or access to such expertise and skills” (new art. 19a, par. 2,(c)) and is new also for listed companies, who report on the board evaluation practices if they adopt a corporate governance codes and, in that case, to explain their decision not to comply with the cg code on a “comply or explain” basis. Also considering international standards, such as GRI, we observe that the contents and the detail of the proposed disclosure requirement goes far beyond global standards. We believe that this information requirement shall be eliminated altogether. For general comments see also our answer to Q49.

## **DR G1-6 – Remuneration policy**

The undertaking shall describe the policy used for the remuneration of its administrative, management and supervisory bodies.

The principle to be followed under this Disclosure Requirement is to provide information about the undertaking’s policy for the remuneration of the administrative, management and supervisory bodies.

**Q122: Please, rate to what extent do you think G1-6 – Remuneration policy**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The information required in G1-6 is out of the scope of the CSRD and namely its requirement to provide information on “the role of the administrative, management and supervisory bodies with regard to sustainability matters and of their expertise and skills to fulfil this role or access to such expertise and skills” (new art. 19a, par. 2,(c)) and duplicates the explicit informative requirement set in art. 9a of the Directive 2007/36/CE (as amended by Directive 2017/828/UE) which applies to listed companies only. Therefore, the G1-6 does explicitly extend to unlisted companies subject to the Sustainability Reporting the informative disclosure set in Directive 2007/36/CE. In this light, we observe that: (i) this information is neither covered by the CSRD nor seems to serve the purpose of the same directive in general; (ii) the introduction of such a disclosure requirement would impose a mandatory requirement through a level 2 measure (EC delegated act) that is inconsistent with a level 1 measure (Directive 2007/36/CE). This approach raises significant doubts on the reasonability of costs for both listed and unlisted firms (also for part E). For listed ones, the problem stems from the prohibition of “cross-reference” to reports other than the management report, considering that listed companies are allowed to publish this information in the separate remuneration policy. For unlisted ones, the problem is a substantial one, inasmuch they would be mandated to report new information (which are not required by the CSRD) and has difficult application in the environment of a private company. Moreover, we would underline that the information required is not aligned with global standards, demanding for conditions that rely on the specific legislative features of the European framework for listed companies. E. g. par. 32, lett. c, requires disclosing how companies take into account any corresponding voting results: this kind of information is possible only where an established remuneration policy is subject to the vote of shareholders. Moreover, the provision set in par. 32, lett. c) requesting information on whether stakeholders’ views are sought and taken into account appears very burdensome, going beyond the CSRD, and could introduce some inconsistency with the current framework (even for listed companies): therefore, it shall be provided on a pure voluntary basis and/or at least be limited to the link between the remuneration policy and the sustainability of the company. We believe that this information requirement shall be eliminated altogether. Material sustainability governance issues that are covered by the CSRD are already developed in the cross-cutting ESRS 2, governance part. For general comments see also our answer to Q49.

## **DR G1-7 – Risk management processes**

The undertaking shall provide information on its risk management processes, with regards to risk arising for the undertaking and for the stakeholders.

The principle to be followed under this Disclosure Requirement is to inform about the undertaking's risk management processes. This includes an understanding of the supervision and monitoring of risk management by the undertaking’s administrative, management and supervisory bodies.

**Q123: Please, rate to what extent do you think G1-7 – Risk management processes**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

For some companies, this information requirement appears to be a duplication: e.g. banking and insurance companies and groups are already subject to specific and detailed requirements with respect to risk management that are sufficient to meet the standards, but also listed companies in general who are providing information in their corporate governance reports. These aspects shall be adequately considered, with a broader reference to the cross-reference or even envisaging exemptions. The proposed standard G1-7 appears broader than the CSRD, which namely requires information on the “the main features of the undertaking’s internal control and risk management systems” but limit this information requirement to elements that are relevant to “the sustainability reporting process” (art. 29b, par. 2,(c),(i)a) and to “to the sustainability reporting and decision-making process” (art. 29b, par. 2,(c),(v)). In this light, the whole requirement shall be better tailored in order to ensure consistency with the CSRD. Moreover, a better clarification is needed with regard to the risk “for the stakeholder”, which seems to provide a very broad and vague definition of impact materiality. See comment on part E. For general comments see also our answer to Q49.

## **DR G1-8 – Internal control processes**

The undertaking shall provide information on its internal control processes, including in relation to the sustainability reporting process.

The principle to be followed under this Disclosure Requirement is to inform about the aspects related to the governance factors that affect the undertaking's internal control processes, including in relation to sustainability reporting. This also includes an understanding of the supervision and monitoring of those processes by the undertaking’s administrative, management and supervisory bodies.

**Q124: Please, rate to what extent do you think G1-8 – Internal control processes**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

For some companies, this information requirement appears to be a duplication: e.g. banking and insurance companies and groups are already subject to specific and detailed requirements with respect to risk management that are sufficient to meet the standards, but also listed companies in general who are providing information in their corporate governance reports. These aspects shall be adequately considered, with a broader reference to the cross-reference or even envisaging exemptions. The proposed standard G1-8 appears broader than the CSRD, which namely requires information on the “the main features of the undertaking’s internal control and risk management systems” but limit this information requirement to elements that are relevant to “the sustainability reporting process” (art. 29b, par. 2,(c),(i)a) and to “to the sustainability reporting and decision-making process” (art. 29b, par. 2,(c),(v)). In this light, the whole requirement shall be better tailored in order to ensure consistency with the CSRD.  
See comment on part E.

## **DR G1-9 – Composition of the administrative, management and supervisory bodies**

The undertaking shall provide information about the composition of its administrative, supervisory and management bodies.

The principle to be followed under this Disclosure Requirement is to provide information about the diversity of the members of its administrative, management and supervisory bodies and committees.

**Q125: Please, rate to what extent do you think G1-9 – Composition of the administrative, management and supervisory**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The proposed disclosure requirement G1-9 appears partially consistent with the requirement of the CSRD to provide information on “the role of the administrative, management and supervisory bodies with regard to sustainability matters,” (new art. 19a, par. 2,(c)). In fact, it is aimed to provide factual information about the effective composition of the board and its possible changes from the previous reporting period, which is not expressly required by the CSRD but appears in line with the main objective of providing essential governance information of the company as well as functional to the disclosure of the governance of sustainability.

In line with our comments to G1-1, we would suggest requiring only information about executive and non-executive members as well as the presence of board committees (if any). At the same time, we would refrain from mentioning the number of independent directors, considering that unlisted companies are not required to disclose it.

For general comments see also our answer to Q49.

## **DR G1-10 – Meetings and attendance rate**

The undertaking shall provide information about the number of meetings and the attendance rate for its administrative, management and supervisory bodies and committees.

The principle to be followed under this Disclosure Requirement is to provide information about the rate of participation in meetings of the members of the administrative, management and supervisory bodies and committees.

**Q126: Please, rate to what extent do you think G1-10 – Composition of the administrative, management and supervisory bodies and committees**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

For part E, the requirement has no specific relevance in the context of sustainability matters and goes beyond the mandate of article 19b. The proposed disclosure requirement G1-10 does not appear consistent with the requirement of the CSRD to provide information on “the role of the administrative, management and supervisory bodies with regard to sustainability matters,” (new art. 19a, par. 2,(c)). In fact, it is aimed to provide factual information about the effective attendance to board meetings: this information is not expressly required by the CSRD and shall be therefore eliminated.  
For general comments see also our answer to Q49.

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

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

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

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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

The Draft Standard on business conduct has a wider scope respect to CSRD: i.e., not focus only on sustainability issues related to business conduct and covers also issues not explicitly provided for by CSRD, such as for anti-competitive behavior events and beneficial ownership. Although the Draft Standard substantially relies on and is mostly aligned with GRI, it provides for mandatory disclosure based on a (rebuttable) presumption of materiality, while GRI are applied on the basis of a materiality assessment made by the company. As this approach is adopted, we support the requirement to provide qualitative information about how concretely the undertaking provide direction to promote a business conduct culture, considering that progress towards such targets can not be easily assessed. As to Part E on costs, we believe that this requirement has no specific relevance in the context of sustainability matters and goes beyond the mandate of article 19b.

If applied, the Draft Standard, due to the different approach compared to GRI coupled with the enlargement of the scope of application of disclosure requirements, would raise a serious issue of 'reasonability' of costs. So, we suggest not to address the issue here or, at least, to adopt a flexible approach in the application of the standards (for instance Standard G2-3, provides that 'where the undertaking has no procedures to prevent and detect anti-bribery, it shall disclose the fact and, where applicable, it plans to adopt them. In the same perspective, a wider use of incorporation by reference should be allowed, not only with reference to management report but also to other corporate document (i.e. codes of conduct, code of ethics) or sources; in this direction, in the Basis for conclusion (p. 10), it is suggested that as to the beneficial ownership, it should be sufficient to make reference to the Register of beneficial ownership to be established in each MS according to Directive 848/2018. On Part G, we note that the reporting system under the CSRD directive favours a consolidated approach. This justifies the exemption of publishing an individual sustainability report when the information to be provided is already contained in the consolidated sustainability report of the parent company. If this criterion appears entirely adequate for all information in the ESG sphere, which is certainly managed at group level with the consequence that it is logical to provide the information at that level, it poses a problem of adequacy with reference to the information which tend to concern the individual legal entity. On Part I, we note that the Basis for conclusion (p.6) acknowledges that 'it is not possible to capture either the concept or how the culture has improved or not over the period in quantifiable metrics': it should be taken into account when assessing the transformation in a digital reporting taxonomy.

## **DR G2-2 – Policies and targets on business conduct**

The undertaking shall provide information about its policies with respect to business conduct matters.

The principle to be followed under this disclosure requirement is to provide an understanding of the undertaking's ability (i) to mitigate any negative impacts and maximise positive impacts related to business conduct throughout its value chain, and (ii) to monitor and manage the related risks.

**Q128: Please, rate to what extent do you think G2-2 – Policies and targets on business conduct**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers

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

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

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

See our answer to Q127.

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

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### **DR G2-3 – Prevention and detection of corruption and bribery**

The undertaking shall provide information about its system to prevent and detect, investigate, and respond to allegations or incidents relating to corruption and bribery.

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

**Q129: Please, rate to what extent do you think G2-3 – Prevention and detection of corruption and bribery**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

As to Part E on costs, we note the importance for an extensive use of incorporation by reference. In this respect, it is important to stress that ESRS 1, paragraph 132, expressly acknowledges that “ to promote effective communication and avoid duplications appropriate cross-referencing shall be put in place by the undertaking”. As to information concerning anti-corruption and anti-bribery procedures, they may overlap with other requirements provided by national laws according to which companies are encouraged to adopt specific models (i.e., “modello 231” in Italy – in accordance to Legislative Decree 231/2001). In this case, it should be possible to make reference to such models to comply with the standards. We refer to our answer to Q 127.

We support the flexible application of the standards suggested by Standard G2-3 providing that ‘where the undertaking has no procedures to prevent and detect anti-bribery, it shall disclose the fact and, only where applicable, its plans to adopt them.

On a different ground, we note that the standard requires additional information apart from complaints and legal proceedings, which should be qualitative information (cfr. Basis for conclusion, p. 8): it should be taken into account when assessing the transformation in a digital reporting taxonomy.

Paragraph 24 (b) suggests the existence of ‘separate investigators or investigating committees.’ We believe that such a disclosure requirement would only be appropriate if independence were a legal requirement. The EU legislation lacks a definition of independence for the members of the administrative, management and supervisory bodies. Probably, a clear disclosure about the definition of independence according with the applicable national legislative or self-discipline rules should be required

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

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

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

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

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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Anti-competitive behaviour is not in the scope defined by CSDR and should not be addressed in this context.

In any case, its relevance (materiality assessment) should be assessed by companies with specific reference to sustainability issue.

Also, we believe the suggested reference to allegations and incidents is too broad and would expose undertakings unnecessarily to negative publicity/rumours that may or may not be based on facts.

Disclosures should be limited to disclosures required as part of financial reporting and aligned with IFRS Financial reporting standards, with cross-reference to that.

## **DR G2-5 – Anti-corruption and anti-bribery training**

The undertaking shall provide information about any anti-corruption and anti-bribery training programmes offered.

The principle to be followed under this disclosure requirement is to provide an understanding of the undertaking's training and educational initiatives to develop and maintain awareness related to anti-corruption or anti-bribery and business conduct within the undertaking as well as in the value chain.

**Q131: Please, rate to what extent do you think G2-5 – Anti-corruption and anti-bribery training**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

We doubt if the disclosure results in meaningful information for stakeholders.

According to the Basis for conclusion, for the purposes of the Standard this is” a voluntary disclosure requirement keeping in mind the scope and proportionality of the requirements for set one of the ESRS Standards” (p. 9).

It should be stated clearly also in the Standard itself.

## **DR G2-6 – Corruption or bribery events**

The undertaking shall provide information on legal proceedings related to corruption or bribery during the reporting period.

The principle to be followed under this disclosure requirement is to provide transparency on legal proceedings relating to corruption or bribery incidents during the reporting period and the related outcomes.

**Q132: Please, rate to what extent do you think G2-6 – Corruption or bribery events**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

Perhaps too much detail which is not based on existing legal requirements. By requiring some of the information items in the draft standard one might be: harming ongoing investigations; violate secrecy in criminal investigations and violate privacy of those affected/accused of wrongdoing. Disclosures should be limited to those required as part of financial reporting and should be aligned with IFRS Financial reporting standards, with cross-reference to that.

## **DR G2-7 – Anti-competitive behaviour events**

The undertaking shall provide information on any publicly announced investigation into or litigation concerning possible anti-competitive behaviour it is facing during the reporting period.

The principle to be followed under this disclosure requirement is to provide transparency on publicly announced investigations into or litigation concerning possible anti-competitive behaviour of the undertaking that are ongoing during the reporting period.

**Q133: Please, rate to what extent do you think G2-7 – Anti-competitive behaviour events**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

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

## **DR G2-8 – Beneficial ownership**

The undertaking shall provide information about its beneficial owners (as defined in article 3(6) of Directive (EU) 2015/849) and control structure.

The principle to be followed under this disclosure requirement is to provide transparency on the individuals who ultimately own or control the undertaking's organisational and control structure, including beneficial owners.

**Q134: Please, rate to what extent do you think G2-8 – Beneficial ownership**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

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

In any case, we support the approach suggested by the Basis for conclusion (p.10) which allows a wide use of the incorporation by reference: for the disclosure of the information, it should be sufficient to make reference to the Register of beneficial ownership to be established in each MS according to Directive 848 /2018.

The possibility to incorporate the information by reference to the Register should be directly provided for by the Standard.

## **DR G2-9 – Political engagement and lobbying activities**

The undertaking shall provide information on its political contributions and lobbying or advocacy activities.

The principle to be followed under this disclosure requirement is to provide transparency on the types, purpose and cost of political contributions and lobbying activities of the undertaking during the reporting period.

**Q135: Please, rate to what extent do you think G2-9 – Political engagement and lobbying activities**

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

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

We also suggest providing for a materiality threshold.

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

This should be taken into account (see our general comment under Q127 on consolidated approach).

## **DR G2-10 – Payment practices**

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

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

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

	Not at all	To a limited extent with strong reservations	To a large extent with some reservations	Fully	No opinion	Not applicable
A. Requires relevant information about the sustainability matter covered	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. Requires information that is relevant for all sectors (sector-agnostic only information)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. Can be verified / assured	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. Meets the other objectives of the CSRD in term of quality of information	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. Reaches a reasonable cost / benefit balance	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. Is sufficiently consistent with relevant EU policies and other EU legislation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. Is as aligned as possible to international sustainability standards given the CSRD requirements	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. Represent information that must be prioritised in first year of implementation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
I. Is well suited to be transformed in a digital reporting taxonomy that will avoid creating misunderstandings or practical complexities	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**For part E, please explain why costs would be unreasonable and / or what particular benefit this disclosure requirement offers**

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

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

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

In principle, requiring aggregated information on payment practices would be recommended, especially for groups that usually operate with several counterparties; providing detailed information, as request by paragraph 53, appears to be extremely expensive and burdensome.

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

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

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

Payment delays complicate the financial management of undertakings, especially SMEs[1], who rely on predictable flows of cash to operate. According to the relevant EU legislation (Directive 2011/7/EU) a payment is late when the creditor has not received the funds at the expiry of the period negotiated in the contract. And yet, even payments performed within the contractually negotiated period can hide unfair payment practices. Very often businesses accept payment terms longer than they are comfortable with[2], as such terms may reflect the one party's power compared to the other, such as by virtue of its size or brand.

[1] SMEs (Small and Medium-sized enterprises) are defined according to the Commission Recommendation 2003/361/EC [https://ec.europa.eu/growth/smes/sme-definition\\_en](https://ec.europa.eu/growth/smes/sme-definition_en)

[2] According to the Intrum European payment Report 2021, on average 49% of businesses in the EU accepted payment terms longer than they are comfortable with out of fear of losing their customers or damaging business relations.

**Q137: do you consider that the indicators in G2-10 (in isolation or jointly) capture the following sufficiently:**

	Yes	No	No opinion
the extent to which accounts payable or creditors at period end have been outstanding	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

the fairness of the undertaking's payment practices



If not, please provide your rationale and indicate the sector(s) for which you deem add-ons necessary.

**Q 138: what alternative indicators would you propose? Please specify whether your proposal(s) are of sector-agnostic or sector-specific nature.**

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

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## Contact

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