

General Feedback

This part asks questions about:

1. the main simplifications implemented,
2. specific requirements for which EFRAG SRB members expressed reservations and remaining concerns, in the approval of the EDs,
3. overall feedback at standard level and
4. any other comments.

The main simplifications implemented are grouped into “Levers” of simplification, as described in the Basis for Conclusions (BfC).

Please note: Some questions in this survey may appear to have gaps in their numbering. This is due to the use of conditional logic, which tailors the questionnaire based on your previous responses.

11. Clarifications and simplification of the Double Materiality Assessment (DMA) (ESRS 1 Chapter 3) and materiality of information as the basis for sustainability reporting

Rationale for the changes

The Amendments have clarified the requirements in ESRS 1 Chapter 3 about materiality of information and simplified the DMA process. They are described in Lever 1 of simplification in the Basis for Conclusions (see BfC Chapter 4).

Link here to access the [Log of Amendments](#), ESRS 1, Chapter 3 if you would like to review the detailed Amendments and their rationale.

The Explanatory Memorandum (EM) which accompanies the EC Omnibus proposals (page 5) identified the following objective for this lever: “[the simplification] will provide clearer instructions on how to apply the materiality principle, to ensure that undertakings only report material information and to reduce the risk that assurance service providers inadvertently encourage undertakings to report information that is not necessary or dedicate excessive resources to the materiality assessment process”.

Description of the changes

To meet this objective, EFRAG has introduced the following changes which aim to strike a balance between simplification and the necessary robustness of the Double Materiality Assessment (DMA):

1. A new section presenting practical considerations for the DMA has been drafted, including the option of implementing either a bottom-up or top-down approach (Chapter 3.6 of ESRS 1)
2. More prominence has been given to materiality of information as a general filter and all the requirements are subject to it.
3. The relationship of impacts, risks and opportunities, and topics to be reported has been clarified (ESRS 1, paragraph 2 and 22)
4. It has been explicitly allowed to include information about non-material topics (ESRS 1, paragraph 108) if they are presented in a way that avoids obscuring material information
5. Emphasis is put on ESRS being a fair presentation framework, to reinforce the effectiveness of the materiality principle and avoid excessive documentation effort due to a compliance and checklist approach to the list of datapoints (DP); an explicit statement of compliance with ESRS is included in (ESRS 1, Chapter 2)
6. To avoid excessive detail in reported information, it has been clarified that all the disclosures can be produced either at topical level or at impacts, risks and opportunities (IRO) level, depending on the nature of the IROs and on how they are managed
7. The list of topics in AR 16 (now Appendix A) has been streamlined by eliminating the most detailed sub-sub-topic level and has now an illustrative only and non-mandatory status.
8. More emphasis has been put on the aggregation and disaggregation criteria for reporting information at the right level. Explanations have been provided with respect to the consideration of sites for the DMA and reported information, so as to avoid long lists of sites being included in the sustainability statement.

Please do not comment here in “Gross versus Net” as it is covered by the next question.

Question

If you intend to provide feedback also on Part 3 of this questionnaire (at level of DR or paragraph), please note that by answering this question, you will not be allowed to include comments on Chapter 3 of ESRS 1 in Part 3, to avoid duplication of input. Your comments on Chapter 3 can only be provided here.

Do you agree that the proposed amendments have sufficiently simplified the DMA process, reinforced the information materiality filter and have succeeded in striking an

acceptable balance between simplification and robustness of the DMA? Do you agree that the wording of Chapter 3 of ESRS 1 is sufficiently simplified?

I agree

I partially agree and partially disagree

Additional comments: The simplification of the Double Materiality Assessment (DMA) process and emphasis on the materiality filter are welcome steps toward improving clarity and reducing unnecessary reporting burden. However, we remain concerned about the potential underrepresentation of important sustainability issues, particularly in the absence of sector-specific standards.

With sector-specific standards no longer part of the ESRS framework, entity-specific disclosures (as referenced in ESRS 1, Paragraph 10) will play a crucial role in capturing material issues. To avoid a narrow or “checklist” approach to reporting, we urge EFRAG to reinforce the importance of these disclosures.

In this context, we encourage EFRAG to explicitly guide companies toward credible, multistakeholder, sector-specific organizations that can help identify relevant risks, opportunities, and impacts. For example, organizations such as the Global Network Initiative (GNI) offer valuable guidance on sector-relevant topics like digital rights, privacy, and freedom of expression. Such external expertise can support more accurate and comprehensive sustainability reporting where sector-specific standards are absent.

I disagree

I would like to skip this question and provide my feedback in Part 3

14. Restructuring of the architecture and interaction between ESRS 2 and Topical Standards

Rationale for the changes

The Amendments have restructured the architecture of ESRS, focusing on the interaction of ESRS 2 and topical standards. They have also modified the standard-setting approach for policies, actions and targets (PAT) to adopt a more principles-based and less prescriptive approach. These Amendments are described as Lever 3 in the Basis for Conclusions (BfC) (Chapter 4).

The Explanatory Memorandum (page 5) identified the following objective for this lever: simplify the structure and presentation of the Standards.

Description of the changes

To achieve this objective, EFRAG has implemented the following changes, which aim to strike an appropriate balance between (a) prescriptiveness of the requirements and preparation effort and (b) the users' need for relevant, faithful and comparable information:

1. Minimum Disclosure Requirements in ESRS 2 (renamed "General Disclosure Requirements") have been simplified but retained as 'shall' disclose.
2. A drastic reduction of 'shall' datapoints PAT has been achieved, sometimes reformulating them as Application Requirements ('ARs') to support more consistent application.
3. Topical specifications to GOV, SBM and IRO (Appendix C of ESRS 2) have been deleted, with a few exceptions maintained as separate Disclosure Requirements in topical standards (e.g. resilience in ESRS E1).
4. The requirement to disclose PAT for material IROs if adopted is maintained. But the requirement to disclose whether the undertaking plans to implement a PAT for material topics and timeline has been eliminated. The indication of which material topics are not covered by PAT is maintained.
5. The amendments have improved the connectivity between the disclosure of PAT and the description of IROs (now in ESRS IRO 2) to which they relate. They have also improved the ability to disclose information at a higher aggregation level than the material IROs, if this reflects the way IROs are managed.

Question

Do you agree that these proposed amendments strike an appropriate balance between (1) prescriptiveness of the requirements and preparation effort from the one hand, and (2) need for relevant and comparable information from the other?

☒ I agree

☐ I partially agree and partially disagree

☐ I disagree

17. Burden reliefs and other suggested clarifications

Rationale for the changes

The Amendments introduced several horizontal reliefs (i.e. applicable across different requirements) that were suggested in the input gathered from preparers. They are expected to contribute substantially to the reduction in the overall reporting efforts, beyond the datapoints reduction. These Amendments are described as Lever 5 in the Basis for Conclusions (BfC) (Chapter 4).

The Explanatory Memorandum did not explicitly mention the reliefs, but the letter of the EC dated 5 May 2025 recommended including those foreseen in the ISSB's IFRS sustainability disclosure standards (IFRS S1 and S2). The Explanatory Memorandum nevertheless included the following objective (page 5): [the simplification] will also make any other modifications that may be considered necessary, considering the experience of the first application of ESRS. The revision will clarify provisions that are deemed unclear. It will improve consistency with other pieces of EU legislation.

Description of the changes

EFRAG has implemented the following changes:

1. The relief “undue cost or effort” has been introduced, including for the calculation of metrics.
2. A relief for lack of data quality has been introduced for metrics (ESRS 1 Paragraph 91), allowing to report a partial scope and disclosing actions to improve the coverage in future periods.
3. The systematic preference for direct data as input to the calculation of value chain metrics has been removed and undertakings may use direct data or estimates depending on practicability and reliability (ESRS 1, Paragraph 91).
4. Undertakings may exclude from the calculation of metrics their activities that are not a significant driver of IROs (ESRS 1, Paragraph 90) and may exclude joint operations on which they do not have operational control when calculating environmental metrics other than climate (ESRS 1, paragraph 60).
5. Disclosure about resilience is now limited to risks only and limited to qualitative information only (ESRS 2, Paragraph 24 and ESRS E1, Paragraph 21).
6. When disclosing financial effects, the information on investments and plans is now limited to those that are already announced (ESRS 2, AR 16 Paragraph 23(b)).
7. A new relief for acquisitions (disposals) of subsidiaries has been introduced (ESRS 1 Chapter 5.4) allowing to include (exclude) the subsidiary starting from the subsequent (from the beginning of the) period.
8. From October 2024 to February 2025, several implementation issues were identified in the EFRAG ESRS Appendix dedicated to the Q&A implementation

platform (Chapter of Basis for Conclusions (BfC)). These issues have now been addressed by clarifying the corresponding provisions.

Following the EC representatives' recommendation, EFRAG did not include additional relief for commercial sensitive information, pending the changes of level 1 regulation, where this issue is being considered.

Question

EFRAG considered how to improve consistency with other pieces of regulation. Considering what can be achieved in these Amendments (as opposed to what requires modification by the other regulation) EFRAG gave priority to the SFDR regulation. Please refer to question 28 if you intend to comment on this aspect. Other selected changes to enhance consistency are described in the Log of Amendments for each standard.

Please note that some of the reliefs described above go beyond the ones in IFRS S1 and S2 described in question 21 below. As interoperability with IFRS S1 and S2 is specifically addressed in question 21 should be commented upon there. Please also refrain here from comments on the options proposed for quantitative financial effects, as question 17 is specifically dealing with them.

Do you agree that these proposed Amendments provide sufficient relief and strike an acceptable balance between (a) responding to the stakeholders' demands for burden reliefs and (b) preserving the transparency needed to achieve the objectives of the EU Green Deal, as well as interoperability with the ISSB's IFRS S1 and S2?

I agree

I partially agree and partially disagree

I disagree

25. Emphasis on ESRS being a “fair presentation” reporting framework

The Amendments clarify that ESRS is a fair presentation reporting framework, as it is for IFRS S1 and S2, with the expectation that this will support a more effective functioning of the materiality filter and reduce the check list mentality associated to the adoption of a compliance approach. Adopting fair presentation is expected to support a reduction in the unnecessary reported information and of the documentation needed to show that omitted datapoints are not material. The majority of the EFRAG SRB members consider

that ESRS was already conceived as a fair presentation framework and interpret the CSRD as requiring it. A minority of the EFRAG SRB members think that the CSRD does not require fair presentation. They think that adopting fair presentation is not a simplification, due to the difficulty of exercising judgement of what is needed to fulfil the requirement, in particular for impact materiality where there are less established reporting practice. They think that the Amendments may result in increased legal risks and audit costs.

Do you agree that explicitly requiring to adopt fair presentation in preparing ESRS sustainability statements will support a more effective functioning of the materiality filter, therefore enabling more relevant reporting and reducing the risk of excessive reported information?

☒ I agree

☐ I partially agree and partially disagree

☐ I disagree

27. ESRS S1: New threshold for reporting metrics disaggregated at country level

Amended ESRS S1 changes the threshold for the requirement to disaggregate the metrics for characteristics of the undertaking's employees, collective bargaining coverage and social dialogue in the European Economic Area (S1-5 and S1-7 of Amended ESRS S1). Refer also to Basis for Conclusions (BfC) Chapter 8. Instead of being defined based on at least 50 employees by head count representing at least 10% of the total number of employees, the requirement is now to disaggregate the metrics for the top 10 largest countries by employee headcount, to the extent that there are more than 50 employees in those countries. A minority of EFRAG SRB members noted that this change could trigger, in some cases, an increase in the number of countries to report on for these two disclosures, and so an increased burden to prepare the information. The majority of EFRAG SRB members supported the change because the current requirement has led to limited information available by country. In addition, the information is usually easily accessible, so the burden to prepare the information per the new requirement is estimated to be limited.

If you intend to provide feedback also on Part 3 of this questionnaire, please note that by answering this question, to avoid duplication of input, you will not be allowed to include

comments on DR ESRS S1-5 and ESRS S1-7 in Part 3. Your comments on those provisions will only be provided here.

Do you agree with the change to the threshold for country-by-country disclosure for the DRs ESRS S1-5 and ESRS S1-7?

I agree

I partially agree and partially disagree

I disagree

I would like to skip this question and provide my feedback in Part 3

34. Any other comments

Please provide here any other comments on the 12 EDs or on the Glossary

GNI is the preeminent multistakeholder organization focused on advancing freedom of expression and privacy in the tech sector. Drawing on our 17+ years of experience with stakeholder engagement and human rights due diligence (HRDD), we highlight the following priorities for consideration in the consultation.

Changes that we support and urge EFRAG to safeguard, as they are central to effective reporting and should not be weakened:

- 1. Preserving the foundational four-pillar structure of the social standards. (Question #14)**
- 2. Preserving the flexibility that allows companies to present a clear, connected narrative on their most significant sustainability issues. (Question #13)**

Additionally, we would like to shed light on the following points from the amended ESRS:

- 1. References to international human rights law: While we acknowledge that ESRS 2 appropriately references key instruments like the UNGPs and ICCPR, there is inconsistency across the standards. Notably, ESRS S4, which addresses users and consumers, fails to include references to international human rights instruments, unlike ESRS S1, S2, and S3. This omission weakens alignment with Recital 49 of the CSRD. For consistency and to ensure companies appropriately consider the full range of relevant human rights, ESRS S4 should reference the International Bill of Human Rights (UDHR, ICCPR, ICESCR) and other core UN human rights conventions.**
- 2. Removal of “for example” in S3 and S4 (Para 4): The proposed removal of the term “for example” from the list of economic, social, cultural, civil, and political rights**

of potential relevance to ESRS S3 and S4 contradicts one of the core principles of human rights-based approaches by suggesting that only a narrower list of sub-topics be considered by companies, not a complete set of potentially relevant human rights. This is relevant for ESRS 1 Appendix A (List of Topics), ESRS S3 paragraph 4, and ESRS S4 paragraph 4.