

CONSULTATION RESPONSE

EFFRAG CONSULTATION ON REVISED EXPOSURE DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

September 2025

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To inform this paper, the following groups have been consulted: Global Policy Reference Group (GPRG), Nature Reference Group (NRG), Human Rights and Social Issues Reference Group (HRG), Net-Zero Asset Owner Alliance (NZAOA) Policy Track.

While the policy recommendations herein have been developed to be globally applicable, the PRI recognises that the way in which policy reforms are implemented may vary by jurisdiction and according to local circumstances. Similarly, the PRI recognises that there may be circumstances where there are merits to allowing market-led initiatives to precede regulatory requirements.

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Global Compact

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This document contains the public consultation survey questions. Please note, that the survey itself is provided with an online tool, which should be used to respond to it:

<https://survey.alchemer.eu/s3/90874765/Amended-ESRS-Exposure-Draft-July-2025-Public-Consultation>
<https://survey.alchemer.eu/s3/90874765/Amended-ESRS-Exposure-Draft-July-2025-Public-Consultation-SurveySurvey>

All documents and materials are available on the EFRAG webpage: <https://www.efrag.org/en/amended-esrs>

INTRODUCTION

Welcome to the EFRAG Survey on the Amended ESRS Exposure Drafts 2025! Please submit your answers by 29th September 2025 by clicking on the 'Submit' button at the bottom of the survey.

Please note that you can save the draft survey, and go back to it at a later time, by clicking on the 'Save and continue later' button in the top right corner of the page. EFRAG will only take into consideration surveys where the 'Submit' button has been used.

For any technical queries regarding the survey, please contact efragsecretariat@efrag.org

INTRODUCTION TO ESRS SIMPLIFICATION:

Building on CSRD 'Wave 1' feedback and based on the mandate from the European Commission, EFRAG is proposing a simplified set of European Sustainability Reporting Standards (ESRS), reducing datapoints by 57% while retaining the core objectives of the EU Green Deal.

IN A NUTSHELL: WHY AND HOW IS EFRAG SIMPLIFYING ESRS REPORTING

1. Combining two policy priorities: reducing the administrative burden and ensuring quality sustainability reporting

In the European Green Deal, the EU set out its ambition to become a decarbonised economy by 2050 and foster sustainable development for European businesses. To support this ambition, several pieces of legislation were adopted, including the Corporate Sustainability Reporting Directive (CSRD) and the related ESRS. Large public interest entities with more than 500 employees, which include publicly listed companies in the EU, were the first to report in line with the CSRD and ESRS for the reporting year 2024. Initial feedback from these companies and from those that will be subject to the CSRD and ESRS in the future, centred around the fact that the information required by the ESRS was too detailed and the reporting processes too complex.

To increase European competitiveness and reduce the administrative burden placed on companies, the European Commission (EC) decided to review European reporting legislation. This initiative, launched on February 26 2025, is also known as the 'Omnibus'. The EC tasked EFRAG, who drafted the initial ESRS, to significantly simplify the ESRS without compromising the objectives of the Green Deal and the much needed quality of reported data.

2. Gathering evidence: capitalising on a wealth of knowledge and experience

During the second quarter of 2025, EFRAG collected feedback to structure its simplification efforts. A survey gathered over 800 responses, many stakeholder events were organised, and interviews were held with a variety of companies, investors, and other stakeholders. The aim was to learn from their experience of implementing the ESRS or using the ESRS as input for decisions. The focus of EFRAG has not only been on datapoint reduction, but on a reduction in efforts required to comply with the CSRD and ESRS.

3. Elaborating simplified standards: levers of simplification and review of datapoints

EFRAG systematically used six 'top-down' levers of simplification to address sources of complexity:

1. Simplification of the Double Materiality Assessment (DMA) – the DMA is the process to prioritise sustainability topics for reporting: the amendments simplify the DMA process and documentation for audit purposes.
2. Better readability and conciseness of the sustainability statements: improved flexibility on how to organise the information, more emphasis on how the company manages its sustainability issues.
3. Elimination of the overlaps between general disclosures and topical standards: deleting most granular narrative requirements in topical standards.
4. Improved understandability, clarity and accessibility of the ESRS standards: voluntary disclosures eliminated, clarified language, various concepts are simplified, text is shortened.
5. Introduction of several burden-reduction reliefs: new flexibilities and reliefs have been included. For example, information does not have to be reported if it requires undue cost or efforts.
6. Enhanced interoperability with global reporting standards: various changes have been implemented to further enhance interoperability with other standards, in particular the IFRS Sustainability Disclosure Standards.

In parallel, EFRAG performed a critical 'bottom-up' review of all datapoints to prioritise direct relevance and usefulness in decision-making, with a focus on core data. This work results in a reduction of 57% in 'mandatory' datapoints (which are all to be reported only if material). In addition, all 'voluntary' datapoints are eliminated. Counting both mandatory and voluntary datapoints, the total number is reduced by 68%. The length of the ESRS is reduced by over 55%.

The simplification will contribute to a significant overall reduction in reporting efforts.

4. Consulting stakeholders on draft simplified standards

As a next step, EFRAG is launching a public consultation today on the draft simplified Standards (exposure drafts) and welcomes your input. The consultation will run until the 29 September, and EFRAG will deliver its technical advice to the EC by the end of November.

INTRODUCTION TO THE QUESTIONNAIRE:

Context

This questionnaire gathers feedback on the 12 Amended ESRS Exposure Drafts ('Amended ESRS' or 'EDs' or 'the Amendments'). In accordance with EFRAG's Due Process Procedures, the purpose of this consultation is to

gather feedback and comments from a variety of stakeholders. EFRAG is interested in getting feedback on whether the Amendments proposed in the ED achieve the desired outcomes in terms of simplification and whether EFRAG has appropriately reflected in the Amendments the suggestions collected in the public call for input and outreach program run in April and May 2025.

EFRAG is performing the simplification exercise following a specific mandate from the European Commission (EC) described in the [Explanatory Memorandum](#) ('EM') that accompanies the Omnibus proposal. The Amendments assume that the CSRD will be modified according to the Omnibus Proposal issued by the European Commission ('EC') in February 2025. Comments that go beyond the EFRAG simplification mandate, such as questioning the content of the CSRD or asking to modify the ESRS in a way that is not compatible with the simplification mandate, will not be considered.

The EDs are accompanied by a Basis for Conclusions which illustrate the reasoning of the EFRAG Sustainability Reporting Board ('SRB') and EFRAG Sustainability Reporting TEG ('SR TEG') in preparing the Amendments. The rationale for change at paragraph level in the 12 Standards can be found in the 'Log of Amendments per Standard' annex of the Basis for Conclusions ('BfC').

All the Exposure Draft documents and materials are accessible at this link
<https://www.efrag.org/en/amended-esrs>

This invitation to comment includes 30 questions (General feedback), in addition to those necessary to capture the profile of the respondent, and allows the respondent also to provide more detailed comments at level of Disclosure Requirement ('DR') or paragraph of the ED. It is structured in 3 parts:

Part 1. Profile of the respondent (always required)

Part 2. General feedback (respondents can choose the questions to which they reply)

Part 3. Detailed feedback at level of DR or paragraph of the ED (optional).

Each part includes multiple questions. Except for part 1, you can select which questions you want to answer and skip the other questions in each part. Part 3 intends to collect granular feedback and it is optional. You are invited to respond to Part 3 when you intend to comment on the simplifications implemented in a Disclosure Requirement (DR) or even paragraph of the Standards.

Respondents are kindly invited to avoid repeating the same comments in two or more parts/questions.

Each question asks if you AGREE / PARTIALLY AGREE AND PARTIALLY DISAGREE / DISAGREE with the proposals in the ED. In all cases, you are invited in your comments to explain why you agree or disagree and to provide your suggestions for improvements or alternative simplification proposals, if any. The length each comment is of 300 words.

Please note that EFRAG only considers the surveys for which the submission procedure is completed and successful. You will receive an email confirming receipt of your response on the submission. We recommend you to check your spam folder when looking for the confirmation email.

EFRAG assumes that you give consent to publish your responses. Please select NO here if you do not want that your responses are made public.

☒ Yes

☐ No

PART 1: Information about the respondent: Q1 – Q10

1) Please enter the following information:*

Name: Ben

Surname: Taylor

Name of organisation: Principles for Responsible Investment (PRI)

2) Please enter your email*

benjamin.taylor@unpri.org

3) Which of the following stakeholder types do you represent?*

Company (Preparers)

- ☐ Preparer (non-financial institution preparing a sustainability report)
- ☐ Business association (other than association of financial institution) Users
- ☐ User (analyst, data provider, rating agency, etc.)
- ☐ National supervisory authority & regulator
- ☐ User Association
- Financial Institutions
- ☐ Bank
- ☐ Asset manager/Investor
- ☐ Insurance
- ☒ Association of financial institutions

Other stakeholders

- ☐ Consultant (including software vendor)
- ☐ Other - please specify (required): _____ *
- ☐ Auditor
- ☐ (National) standard setter
- ☐ NGO
- ☐ Academia

4) Preparers: Please disclose your company's revenue in EUR below (at group level, if applicable)*

Revenue: _____

5) Preparers: Please disclose your company's total assets in EUR below (at group level, if applicable)*

Total assets: _____

6) Preparers: Please select your company size by employees (at group level, if applicable)*

- ☐ Less than 1000 employees
- ☐ More than 1000 employees and less than 3000 (
- ☐ More than 3000 employees and less than 5000

☐ More than 5000 employees

7) Country of headquarters*

United Kingdom

8) Preparers: Is your company in scope for the preparation of ESRS sustainability statements under the CSRD (adopted in 2022)? [Companies in scope: over 250 employees, €50 million in net turnover, or €25 million in total assets]*

- ☐ Yes – but the CSRD has not been transposed in the jurisdiction
- ☐ Yes - from 2024 and the relevant jurisdiction has transposed the CSRD
- ☐ Yes - from 2025 and the relevant jurisdiction has transposed the CSRD
- ☐ Yes - from 2026 and the relevant jurisdiction has transposed the CSRD
- ☐ No
- ☐ No, but it is done/intended to do on voluntary basis

9) Preparers: Did your company prepare a sustainability statement for Financial Year 2024?*

- ☐ Yes, based on the ESRS Delegated Act published in 2023
- ☐ Yes, based on another sustainability standards or (national) legislation
- ☐ No

10) Preparers: Does your company also prepare or intend to prepare a sustainability statement under IFRS S1/S2?*

- ☐ Yes
- ☐ No

PART 2: GENERAL FEEDBACK: (Q10 – Q31)

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 Exposure Drafts (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).

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 part 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, 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 the 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?

☐ YES

☒ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

We support the above changes and new guidance in this area, because these are likely to improve and standardise implementation of the materiality assessment by companies while retaining the most important elements of the process – including those aligned with international frameworks like ISSB and GRI standards and the UN Guiding Principles. This should lead to more comparable and relevant reporting for investors.

However, we do not support the proposed deletion of the following disclosure requirements:

- a) Description of how likelihood, magnitude, and nature of effects of identified risks and opportunities have been assessed.
- b) Description of extent to which and how process to identify, assess and manage impacts and risks is integrated into overall risk management process and used to evaluate overall risk profile and risk management processes.
- c) Description of extent to which and how process to identify, assess and manage opportunities is integrated into overall management process.
- d) Description of how process to identify, assess and manage impacts, risks and opportunities has changed compared to prior reporting period.

Investors need this information to understand how companies identify, assess and manage their sustainability risks, opportunities and impacts – particularly for sustainability issues where processes and methodologies are still evolving. Further, such removals would compromise interoperability with international frameworks by removing requirements included within the ISSB standards (b-d) and GRI standards (a). This risks comparability of reporting across investors' global portfolios.

In addition, to support the effective implementation of the materiality assessment, it will be important to develop sector-specific guidance once the ESRS Set 1 revision is finalised. In the absence of sector-specific ESRS, this guidance should help preparers to identify the likely material indicators for their industries – thereby enabling more relevant information for investors – and build on international sector standards where possible to improve global comparability.

Such guidance should also clarify how – and to what extent – financial institutions should consider their value chain (i.e. financial assets) as part of the materiality assessment, given the prevalence of data gaps from portfolio companies and current lack of guidance in this area. It should build on the UN Guiding Principles, OECD guidelines and other international reference points where possible. For instance, clarification that financial institutions should focus the assessment on financial assets that are likely to give rise to material sustainability risks, opportunities and impacts would be helpful.

12) New guidance in ESRS 1 on how to consider remediation, mitigation and prevention actions in assessing materiality of negative impacts

Rationale for the changes

To address a frequent implementation question and an area of divergence in practice, new guidance has been introduced (ESRS 1 paragraphs 34 to 36 and Appendix C; Basis for Conclusions (BfC) Chapter 8) on how to consider implemented remediation, mitigation and prevention actions in the Double Materiality Assessment (DMA) (the so called “gross versus net” issue). The EFRAG Sustainability Reporting Board (SRB) has prioritised the guidance on impacts, as in financial materiality there is already reporting experience which can be leveraged.

Description of the changes

Appendix C, which has the same authority as other parts of the Standard, illustrates how to perform the assessment, i.e. before or after the actions that have been taken and have reduced the severity of the impact. The new guidance specifies how to treat actions in DMA differentiating ‘actual’ from ‘potential’ impacts. It also differentiates the current reporting period from the future reporting periods (the latter is relevant as impacts of previous years that are material are also to be reported in the current period). For impacts that are assessed as material, the respective actions are reported (which also include policies implemented through actions).

Actual impacts are assessed for materiality before the remediation actions in the reporting period when they occur, while in future periods they are not reported if fully remediated. For potential impacts, when the undertaking must maintain significant ongoing actions to contain severity and/or likelihood below the materiality level, the impact is assessed before the actions are reported. This provision has been introduced to deal with cases such as health and safety negative impacts in highly regulated industries.

Key discussion points at EFRAG SRB level

Some of the EFRAG SRB members consider the added guidelines excessively complex. The approach to disregard implemented actions when assessing materiality of potential impacts, if there are significant ongoing actions, has been the source of split views in the EFRAG SRB. The members that supported the inclusion of this provision considered that it would be inappropriate to conclude that due to the high level of prevention and mitigation standards in a sector, a given topic is not reported. On the contrary, other members think that this gross approach to potential impacts will result in excessive reporting.

Question

If you intend to provide feedback also on Part 3 of this questionnaire, please note that by answering this question, you will not be allowed to include comments on Paragraphs 34 to 36 and Appendix C of ESRS 1, in Part 3 to avoid duplication of input. Your comments on Paragraphs 34 to 36 and Appendix C of ESRS 1 can only be provided here.

Do you agree that the new guidelines clarify how to consider remediation, mitigation and prevention implemented actions in the DMA, contributing to more relevant and comparable reporting?

☒ YES

☐ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

The PRI supports this guidance, because it is likely to improve and standardise implementation of the impact materiality assessment by companies. This should lead to more comparable and relevant reporting for investors.

13) Improved readability, conciseness and connectivity of ESRS Sustainability Statements

Rationale for the changes

Starting with the input gathered from the first-time adopters, EFRAG has introduced several changes to support the production of more readable and concise sustainability statements, that are better connected with corporate reporting as a whole. This corresponds to Lever 2 of simplification in the Basis for Conclusions (BfC) Chapter 4).

Description of the changes

EFRAG has clarified the flexibility that preparers have in preparing their statements. The Amendments describe the possibility of including an 'executive summary' at the beginning of the sustainability statement and have put greater emphasis on the use of appendices to separate more detailed information from key messages. The amendments have also clarified the concept of 'connected information, discouraging fragmentation and/or repetition of information (ESRS 1, Chapter 8).

Question

Do you agree that these proposed Amendments, when combined with the other changes in the Amended ESRS, provide an appropriate level of flexibility to support more relevant and concise reporting, as well as to promote better connectivity with corporate reporting as a whole?

☒ YES

☐ PARTIALLY AGREE/PARTIALLY DISAGREE

() NO

[COMMENTS – max 300 words]

The PRI supports these changes, as they are likely to improve the understandability of disclosures for investors without compromising the relevance or quality of information – while preserving information quality requirements which are important to ensure decision-useful data for investors.

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 introduced a more principles-based and less prescriptive approach to the requirements in policies, actions and targets (PAT). These Amendments are described as Lever 3 in the Basis for Conclusions (BfC) (Chapter 4).

The [Explanatory Memorandum \(EM\)](#) (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?

() YES

(X) PARTIALLY AGREE/PARTIALLY DISAGREE

() NO

[COMMENTS – max 300 words]

The PRI supports most of the above changes, as well as the removal of duplications between cross-cutting and topical standards. This should clarify the requirements for preparers and improve implementation, enhancing the quality and understandability of disclosures, while also preserving many of the disclosures investors need on policies, targets and action plans.

However, we do not support the proposed deletion of requirements to disclose:

- Whether and when an entity plans to implement policies, action plans and targets for material topics.
- Information on the progress of actions or actions plans disclosed in previous periods.
- Key actions taken (and the results) to provide for and cooperate in or support the provision of remedy for those harmed by actual material impacts.

Investors need this information to assess how and when companies' risks, opportunities and impacts are likely to evolve over time, and to inform their engagement with investees.

15) Improved understandability, clarity and accessibility of the Standards

Rationale for the changes

The Amendments have reorganised the content of the requirements, clearly separating the mandatory from the non-mandatory ones, and eliminating the "may" disclose provisions, which had a status problematic to understand. These Amendments are described as Lever 4 in the Basis for Conclusions (BfC) (Chapter 4). The [Explanatory Memorandum](#) (EM) (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:

1. “May disclose” datapoints have been all eliminated.
2. All the “shall disclose” datapoints are now in the main body of the standard (no more datapoints in AR) and mandatory application requirements are relocated below the DR to which they belong (and below each Chapter in ESRS 1), covering ‘how to disclose’ guidelines.
3. Language of the Standards has been improved for understandability, conciseness and consistency of ESRS.

Question

Please focus your considerations only on the mandatory content of the Exposure Drafts. The following question covers the Non-mandatory Illustrative Guidance (‘NMIG’).

If you intend also to provide feedback on Part 3, when providing your comments, please refrain from duplicating the comments that you will provide at Standard or DR level.

Do you agree that these proposed amendments achieve the desired level of clarity and accessibility?

☐ YES

☒ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

The PRI supports the above structural changes, because they are likely to improve implementation by companies and lead to better-quality and more understandable disclosures for investors.

However, we do not support the deletion of all “may disclose” datapoints and have made comments on specific datapoints in response to Part 3 of this consultation.

16) Usefulness and status of “Non-Mandatory Illustrative Guidance” (NMIG)

As a result of the simplification process, part of the mandatory content in the 2023 Delegated Act has been moved to “Non-Mandatory Illustrative Guidance” (‘NMIG’). NMIG does not address all the existing implementation questions on each standard. It simply gathers the content that:

- a) was in the Delegated Act
- b) is now deleted; and
- c) contributes to the overall datapoints reduction.

It contains ‘how to report’ guidelines (methodology) and examples of possible items to cover when disclosing in accordance with a mandatory datapoint, mainly for narrative PAT disclosures. Its content should not be understood as a list of items of information requiring justification when not reported, consistent with the fact that the previous datapoints are deleted. The legal status of the NMIG will be considered by the European Commission (EC) in due course. However, EFRAG recommends that the EC not include this content in the Delegated Act. On the one hand, NMIG contains helpful support material that may reduce the implementation questions. On the other hand, it could trigger additional efforts of analysis and/or have an ambiguous role as possible additional disclosure with entity-specific relevance if issued within the Delegated Act.

You are invited to provide your comments on the purpose of NMIG, if any.

You can access the NMIG at this [link](#).

Select the NMIG from this dropdown menu of NMIG guidelines:

Insert dropdown list of 12 NMIG’s and an option to pick ‘All’ [COMMENTS – max 300 words]

We recommend the NMIG is included within the Delegated Act. This would encourage preparers to consider it, thereby improving the relevance and quality of disclosures for investors, without increasing reporting burden given the voluntary nature of this guidance.

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 92).
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 2, Paragraph 5(k)) allowing to include (exclude) the subsidiary starting from the subsequent (from the beginning of the) period.
8. Several implementation issues identified in the EFRAG ESRS Q&A implementation platform from October 2024 to February 2025 (Chapter of Basis for Conclusions (BfC)) have been addressed, 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?

☐ YES

☒ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

The PRI supports the introduction of reliefs to facilitate implementation, provided that where companies use these reliefs they are still required to disclose efforts to meet relevant requirements (ESRS 1, Section 7.4), such as actions to address data availability concerns. This information can support investor engagement and would encourage improvements in reporting. Further, we support the preservation of requirements to disclose calculation methodologies where metrics are reported, to improve the verifiability of reported information for investors.

We note that the reduced scope of the CSRD, as well as the European Commission's proposed "value chain cap" limiting the information that companies subject to CSRD can request from value chain partners with fewer than 1,000 employees, will substantially reduce the availability and quality of sustainability reporting for both larger companies and investors. For investors, this can complicate decision-making, increase the risk they are accused of greenwashing and heighten their dependency on service provider data.

While we recognise this is beyond EFRAG's remit, ensuring in the CSRD text that companies can ask suppliers for reasonable and proportionate information would reduce the need for companies to rely on this provision.

To improve implementation by preparers (and by extension data availability and quality for investors), we recommend that EFRAG provides guidance on when and how companies should use these reliefs, including in combination with each other. For example, the proposed relief allowing companies to exclude activities that are not significant drivers of risks, opportunities and impacts when calculating metrics should be explicit about specific environmental and social metrics – such as GHG emissions under ESRS E1 and characteristics of employees and non-employees under ESRS S1 – that are relevant for all companies and whereby such exclusions are therefore not appropriate.

However, we oppose the introduction of reliefs relating to acquisitions and disposals acquired during the reporting period, which in addition to compromising alignment with ISSB standards will cause differences in the reporting boundary compared to the financial statements – risking connectivity.

18. Relief for lack of data quality on metrics (ESRS 1 paragraph 92)

Amended ESRS have introduced the 'undue cost or effort' relief for all the elements of the reporting, from the identification of material IROs to the calculation of metrics (paragraph 89 of ESRS 1), in line with IFRS S1 and S2, extending it to all metrics. In addition, paragraph 92 of ESRS 1 has introduced a provision applicable both to metrics in own operations and in upstream and downstream value chain. This allows an undertaking to report metrics with a partial scope of calculation, when there are no reliable direct or estimated data to be used in the calculation. This relief does not exempt an undertaking from providing a disclosure, but it allows to disclose a calculation that includes only a partial scope. When using this relief, the undertaking shall disclose actions undertaken to improve the coverage of its calculation in next periods. This transparency is expected to provide sufficient incentive to improve the data quality and achieve a more complete scope in the calculation of the metrics. Accordingly, no time limit is included for the use of the relief. On this point, some EFRAG SRB members, while supporting the relief, considered it essential to include a time limit.

If you intend to provide feedback also on Part 3 of this questionnaire, please note that by answering this question, you will not be allowed to include comments on paragraph 92 of ESRS 1 in Part 3 to avoid duplication of input. Your comments on paragraph 92 of ESRS 1 can only be provided here.

Do you agree that the proposed relief for lack of data quality on metrics strikes an acceptable balance between providing the necessary flexibility for preparers and avoiding undue loss of information?

☐ YES

☒ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

We support this relief, provided that EFRAG maintains the requirement for companies to disclose actions undertaken to improve the coverage of calculations in subsequent reporting periods – given this can support investors' engagement with companies.

Similar to our Question 17 response, to improve implementation by preparers (and by extension data availability and quality for investors), we recommend that EFRAG provides guidance on when and how companies should use this relief.

However, we recommend the “undue cost and effort” relief related to the disclosure of all metrics associated with an entity's own operations (as opposed to a smaller subset under the ISSB standards) is removed. In addition to compromising alignment with ISSB standards, this increases the risk that investors receive fewer datapoints needed for decision-making and stewardship.

19) Relief for anticipated financial effects

Rationale for the changes

Preparers' feedback to the public call for input indicated that disclosing quantitative information for financial effects is particularly challenging. **This includes issues of lack of mature methodologies and being commercially sensitive (refer to Basis for Conclusions (BfC) Chapter 4 Lever 5). Suggested solutions included the IFRS corresponding relief (IFRS S1 paragraph 37), the deletion of the requirement to report quantitative information, or to report them only on a voluntary basis. The EFRAG SRB is specifically seeking input that would support the determination of the most appropriate relief.**

Description of the changes

The Amended ESRS currently includes two possible options, which would apply to all topics, including climate (DR E1-11):

- a) Option 1 requires an undertaking to disclose both qualitative and quantitative information but allows omission of quantitative information under certain conditions. Option 1 is substantially aligned with the IFRS relief, despite the fact that it includes some differences compared to it: under Option 1, as in the IFRS relief, the undertaking need not provide quantitative information when it is not able to measure separately the financial effect of a specific topic (or IRO) or when the level of uncertainty is so high that the resulting information would not be useful. Differently from the IFRS relief, Option 1 specifies that the undertaking may use the relief when there is no reasonable and supportable information derived from its business plans to be used as input in the calculation of anticipated long-term financial effects. Different from the IFRS relief, the undertaking cannot omit quantitative information when it does not have the skills, capabilities or resources to provide that quantitative information, as this part of the relief was considered not compatible with the entities that are expected to be in scope of the Amended ESRS.
- b) Option 2 limits the requirement to qualitative information only, and leaves companies to choose to report quantitative information on a voluntary basis, without having to meet any conditions. This option is not aligned with the treatment in IFRS S1 and S2.

Some of the EFRAG SRB members noted that Option 2 would result in undue loss of information important for investors and would fail to provide the correct incentive to build more mature methodologies and reporting practices. Other members, on the contrary, supported the inclusion of Option 2.

Question

If you intend to provide feedback also on Part 3 of this questionnaire, please note that by answering this question, you will not be allowed to include comments on paragraph 23 of ESRS 2 in Part 3 to avoid duplication of input. Your comments on that paragraph can only be provided here.

Please select from the alternatives below the one that represents your view:

☒ (X) I agree with Option 1

☐ () I agree with Option 2

☐ () I disagree with both Options

[IN ALL CASES, PROVIDE THE RATIONALE FOR YOUR PREFERENCE AND SUGGESTIONS FOR IMPROVEMENTS IF ANY]

[COMMENTS – max 300 words]

The ESRS should only permit Option 1, and require companies to justify only providing qualitative information should they choose to do so.

All investors, regardless of investment strategy, need disclosures on financial effects to understand the existing and future financial implications of exposure to sustainability-related risks and opportunities. These disclosures are especially useful to investors when quantitative information is disclosed – clearly illustrating the connections between sustainability risks and opportunities and specific financial statement line items – with qualitative information to provide additional context and explain methodological choices.

Further, mandating Option 1 is needed to ensure interoperability with the ISSB standards, which nearly 40 countries have adopted or are in the process of adopting – and by extension to ensure comparability of reporting across investors' global portfolios. Not requiring quantitative information about anticipated financial effects would result in the omission of information included in the global baseline.

We recognise that calculating financial effects of sustainability matters may present implementation challenges for preparers, particularly given methodological uncertainty. However, the availability and quality of such disclosures will continue to increase across industries as the ISSB standards are adopted, and there is a growing set of guidance (including from the ISSB) on how to report this information. By leveraging existing practice and providing clear guidance within the ESRS Non-Mandatory Implementation Guidance (NMIG), EFRAG can help to ensure effective implementation by preparers, thereby providing investors with the information they need.

20) ESRS E1: Disclosures on Anticipated Financial Effects

The content of the disclosure requirements on anticipated financial effects (formerly E1-9 now E1-11) has been significantly reduced. Several datapoints are still included, which are considered necessary for investors and lenders to be able to assess the undertaking's exposure to transition and physical risk, including for lenders to be able to meet either supervisory expectations or sector specific disclosure requirements. This question focuses on paragraphs 40 (a) to (d), 41 (a) to (f) and 42 of ESRS E1 and aims at collecting feedback on the feasibility of the remaining datapoints.

If you intend to provide feedback also on Part 3 of this questionnaire, please note that by answering this question, you will not be allowed to include comments on DR E1-11 or paragraphs 40, 41 and 42 of ESRS E1 in Part 3 to avoid duplication of input. Your comments on those provisions can only be provided here.

Do you agree that the amended paragraph 40, 41 and 42 of ESRS E1 strike an acceptable balance between (i) simplification and reporting effort and (ii) users' needs?

☒ YES

☐ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

IF YOU REPLIED NO, SELECT THE PARAGRAPH ON WHICH YOU WANT TO EXPRESS AGREEMENT / DISAGREEMENT [SCROLLING MENU]:

☐ ESRS E1 - 40. (a)

☐ ESRS E1 - 40. (b)

☐ ESRS E1 - 40. (c)

☐ ESRS E1 - 40. (d) (

) ESRS E1 - 41. (a)

☐ ESRS E1 - 41. (b)

☐ ESRS E1 - 41. (c)

☐ ESRS E1 - 41. (d)

☐ ESRS E1 - 41. (e)

☐ ESRS E1 - 41. (f) (

) ESRS E1 - 42.

[COMMENTS – max 300 words] – AVAILABLE IN ALL CASES

The PRI supports these requirements, as they will provide investors with the information they need on financial effects of climate-related risks and opportunities. We also welcome efforts to align them with equivalent requirements in the ISSB standards, as this will help to improve comparability for investors.

21) Enhanced interoperability with the ISSB's Standards IFRS S1 and S2

Rationale for the changes

EFRAG has implemented several changes to enhance the level of interoperability with the ISSB's Standards IFRS S1 and S2. These amendments are described in Lever 6 of simplification in the Basis for Conclusions (BfC) (see Chapter 4, Lever 6). At the same time, however, the Amendments implemented for simplification reasons affect the level of interoperability with IFRS S1 and S2, as resulting from the joint EFRAG IFRS interoperability guidelines (May 2024). For example, reliefs beyond those in IFRS S1 and S2, described above, negatively affect interoperability.

One of the [Explanatory Memorandum](#) (page 5) objectives is to further enhance the already very high degree of interoperability with global sustainability reporting Standards. EFRAG prioritised the interoperability with IFRS S1 and S2, following the majority input gathered in the public call for input and outreach.

Description of the changes

To achieve this objective, EFRAG implemented the following changes, which aim to achieve a higher level of interoperability while being compatible with the objectives of the Amendments.

1. In line with IFRS S1, emphasis has been put on ESRS being a fair presentation framework; materiality of information is now as general filter for the reported information.
2. To remove one of the main interoperability differences, the ESRS E1 GHG emission boundary has been replaced by the financial consolidation approach (ESRS E1 AR 19), aligned with the financial control approach in the GHG Protocol, while a separate disclosure based on operational control is now required (and aligned with the corresponding disclosure in the GHG protocol) only for entities with more complex ownership structures (ESRS E1, AR 20).

3. The IFRS reliefs (undue cost or effort, disclosure of ranges for quantitative financial effects) have been implemented, with the exception of the one on omitting commercially sensitive information about opportunities (pending the outcome of Level 1 discussions), the one allowing to omit Scope 3 GHG emissions when impracticable and the one allowing to omit quantitative financial effects when the undertaking does not have the necessary skills (please note that the relief on anticipated financial effects is treated in question 20).
4. The implementation of reliefs that go beyond the ones in IFRS S1 and S2 results in new interoperability differences (see question 16).
5. Language for requirements that are common to ESRS and IFRS S1 and S2 has been aligned whenever possible with the one in IFRS S1 and S2, in ESRS 1, 2 and E1.
6. The reference to IFRS industry-based guidance and SASB Standards as a source of possible (“may consider”) disclosure when reporting entity-specific sector information is now a permanent feature (before it was temporary, i.e. until the issuance of ESRS sector standards).
7. The datapoint reduction resulted in the elimination of 7 “shall” datapoints described in Basis for Conclusions (BfC) (Chapter 4, Lever 6).
8. Several changes have been introduced to further advance interoperability in ESRS E1 (Basis for Conclusions (BfC), Chapter 4, Lever 6).

Question

Do you agree that these proposed Amendments achieve an appropriate balance between increasing interoperability and meeting the simplification objectives?

☐ YES

☒ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

We welcome efforts to improve interoperability with the ISSB standards. Given nearly 40 jurisdictions have now adopted the ISSB standards or are taking steps to do so, better interoperability will improve comparability of reporting for investors.

However, there are several amendments within the simplified ESRS that risk compromising the high level of interoperability achieved between the current ESRS and the ISSB standards. As set out in Part 3 and our response to Question 19, this includes several removed and amended datapoints, which we would recommend are added back in and harmonised with the ISSB standards.

Further, we would suggest realigning the below structural features with the ISSB standards, to achieve further interoperability:

- The proposed reliefs beyond those included within the ISSB standards risk creating data gaps. This is because investors may not receive information that other companies reporting pursuant to ISSB standards provide. Therefore, these reliefs – relating to acquisitions and disposals acquired during the reporting period, and the “undue cost and effort” relief specifically related to the disclosure of metrics associated with an entity’s own operations – should be removed.
- The requirement on ensuring that relevant information is not obscured should be harmonised with that of the ISSB standards, to improve both comparability and understandability for investors.

These changes would help to ensure that investors receive comparable reporting across their global portfolios.

22) Reduction in the number of mandatory and voluntary datapoints

The Amendments have realised a substantial reduction in the number of mandatory (-57%) and voluntary (100%) datapoints, described in the Basis for Conclusions (BfC), Appendix 3.

The [Explanatory Memorandum](#) (page 6) specified that “the revision of the Delegated Act will substantially reduce the number of mandatory ESRS datapoints by (i) removing those deemed least important for general purpose sustainability reporting, (ii) prioritising quantitative datapoints over narrative text and (iii) further distinguishing between mandatory and voluntary datapoints, without undermining interoperability with global reporting standards and without prejudice to the materiality assessment of each undertaking.”

To achieve this objective, EFRAG undertook a systematic review of the datapoints, to eliminate the least relevant, i.e. those that are not strictly necessary to meet the disclosure objectives. Most of the deleted datapoints stem from the narrative PAT disclosures, where a less prescriptive and more principles-based approach has been implemented. Therefore, most of the deletions refer to narrative datapoints. In the context of such a systematic review, merging two distinct datapoints was not considered as a reduction.

Do you agree that the proposed reduction in “shall disclose” datapoints (under materiality) strike an acceptable balance between burden reduction and preserving the information that is necessary to fulfil the objectives of the EU Green Deal?

☐ YES

☐ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

☒ I BELIEVE SOME OF THE DELETED CONTENT SHOULD BE MAINTAINED (PLEASE SPECIFY IN THE COMMENTS BY INDICATING THE RELEVANT PARAGRAPH IN THE STANDARD)

[COMMENTS – max 300 words]

The PRI supports EFRAG’s attempt to simplify the ESRS by reducing the number of datapoints, to ensure that requirements are both clear and manageable for businesses and sufficiently detailed and comparable for investors’ decision-making. We welcome attempts to preserve datapoints across issue-agnostic and issue-specific ESRS that are aligned with international standards, or necessary for financial institutions to meet their own regulatory reporting obligations.

Further, we acknowledge and commend that EFRAG was able to remove datapoints while preserving a significant amount of the information for investors, through editorial changes, merging requirements and consolidating certain indicators across standards.

However, we do not support all of EFRAG’s proposed deletions. Our recommendations on which specific datapoints should be retained – informed by the need for interoperability with international frameworks and frameworks (including the ISSB standards, GRI standards and TNFD Framework) and datapoints prioritised in investor feedback we have received – can be found in Part 3 of our response. Of the datapoints EFRAG is proposing to delete, our response recommends that 53 of these are added back into the standards – approximately 5% of the 1,000+ datapoints that were in the ESRS prior to EFRAG’s simplification proposal.

23) Six datapoints exceptionally moved from “may” to “shall”

In accordance with the simplification mandate received, EFRAG has adopted a general rule of not increasing the reporting obligations. Accordingly, “may disclose” datapoints have not been transformed into mandatory ones (subject to materiality). In the context of the comprehensive revision of some of the DRs, to provide for more focused and relevant information, 6 datapoints have been moved from “may” to “shall” subject to materiality. These exceptions are in the opinion of EFRAG justified. It is important to note that they do not add new obligations, as they refer to an already existing disclosure objective, but they make explicit a separate element of required information. In consideration of their very low number when compared to the overall datapoint reduction, they are not considered to jeopardise the achieved substantial simplification. On the contrary, their change of status improves the clarity of the reporting requirements. More details on these datapoints can be found in the Basis for Conclusions (BfC), Appendix 3).

Datapoint	Rationale for moving from “may” to “shall”
ESRS E3 Water - Own operations total withdrawal (Amended ESRS E3 paragraph 28 (c))	This requirement should not create an additional burden, as reporting water consumption already relies on understanding the water balance, including both withdrawals and discharges. Given this, the change from optional ('may') to mandatory ('shall') reflects the importance of these metrics in completing the water balance equation and ensuring fair presentation of material IROs. Water withdrawal—defined as the volume of water removed from ecosystems—is a key indicator for assessing pressure on local water resources, particularly in water-stressed regions.
ESRS E3 Water – Own operations total discharges (Amended ESRS E3 paragraph 17)	This requirement should not impose an additional burden, as reporting water consumption already depends on understanding the water balance, including both withdrawals and discharges. Accordingly, the change from optional ('may') to mandatory ('shall') reflects the importance of these metrics in completing the water balance equation and supporting the fair presentation of material IROs. Water discharges, in particular, serve as a complementary indicator to water withdrawals, providing a fuller picture of pressure on water resources.
ESRS E4 Biodiversity and ecosystems- Disclosure of transition plan for biodiversity and ecosystems	Changed to mandatory as this disclosure is considered highly decision-useful for users in relation to undertakings operating in certain sectors. Disclosing information on a transition plan (TP) is conditional to have one that is publicly released. This does not add burden as the plan is already public and the
	information normally available. Implementing TPs, and disclosing on them, is an area that is normalizing and expected to become increasingly important in future years.
ESRS G1 Business conduct– Training of procurement team (Amended ESRS G1 paragraph 10 (c))	The revision G1 has consolidated previous scattered datapoints on training in one generic provision, while specifying the target audience considered critical in sustainability (such as the procurement team). This DP is an important information related to management of suppliers’ relationship for which several other DPs have been deleted.
ESRS G1 Business conduct confirmed incidents (Amended ESRS G1 paragraph 14) (1) Nature of incidents (2) Number of incidents	ESRS G1 did not include any mandatory metric on incidents of corruption and bribery, except for the SFDR indicators This provision replaces narrative information about corruption and bribery with a quantitative metric. The definition of confirmed incidents is well provided in the Glossary. The required disclosure does not include names or persons involved nor other recognisable characteristics, so that it does not interfere with any legal process.

Do you agree that these exceptions to the general rule are appropriate and justified?

☒ YES

☐ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

The PRI supports these additions.

The inclusion of total discharges from own operations strengthens alignment with the [TNFD core disclosure metrics](#), which include total volume of water discharged.

Disclosure of total water withdrawal is also valuable addition given that investors are particularly aware of water scarcity as a material risk. For instance, in 2022, 69% of listed equities reporting to CDP stated they had water-related risks, putting USD 225 billion of value at risk: <https://planet-tracker.org/high-and-dry-how-water-issues-are-stranding-assets/>. Water-related risks are also among the [most recognised nature-related risks by financial institutions](#), with references to drought in annual reports and US mandatory financial statements increasing from 682 in 2019 to 1,739 in 2024 across Bloomberg World Large and Mid-Cap companies.

Finally, we support the requirement to disclose nature-related transition plans. Feedback from signatories and organisations such as the Nature Positive Initiative (NPI) indicates this is relevant information, and that an integrated approach to transition planning that considers multiple systemic risks has the potential to maximise synergies, avoid unintended consequences and build resilience. We recommend that guidance is provided on such transition plans to promote effective implementation of this disclosure requirement by the market.

24) Four new mandatory datapoints (exception)

In accordance with the simplification mandate received, EFRAG has adopted a general rule of not increasing the reporting obligations. Accordingly, no new “shall” datapoints have been added. In the context of the comprehensive revision of some of the DRs, to promote more focused and relevant information, 4 datapoints have been added. These exceptions are in the opinion of EFRAG justified.

It is important to note that they do not add new obligations, as they refer to an already existing disclosure objective, but they make explicit a separate element of required information. In consideration of their very low number when compared to the overall datapoint reduction, they are not considered to jeopardise the achieved substantial simplification. On the contrary, their change of status improves the clarity of the reporting requirements. More details on these datapoints can be found in the Basis for Conclusions (BfC) Chapter 6).

Datapoint	Rationale for new datapoints
ESRS 2 General disclosures – BP 1 the undertaking shall state that the general requirements of ESRS 1 have been applied for the preparation of its sustainability statement	This may be considered as a new datapoint but replaces several datapoints compared to the Delegated Act. The undertaking now must only state when certain principles were applied and when there is a divergent application from the general requirements, this means that it is not disclosed according to ESRS 1; examples are time horizons or changes in preparation or presentation of sustainability information.
E2-4 Secondary microplastics resulting from the breakdown of larger plastic items or being unintentionally produced through the life cycle of the product. Clarification of former ESRS E2 paragraphs 28(b) and AR 20 leading to new added DP .	The amount of secondary microplastics was already required to be reported in ESRS E2 through AR 20, which addressed both primary and secondary microplastics. However, the Q&A process and the outreach analysis highlighted a lack of clarity on the disclosure requirements in relation to primary and secondary microplastics. The addition of a new qualitative datapoint on secondary microplastics, separate from the Set 1 microplastics datapoint, was favoured to improve clarity and simplify the understanding of the microplastics requirements. Secondary microplastics represent the main source of microplastics released into the environment.
E5-4 Percentage of total weight that are critical and strategic raw material Added draft ESRS E5 paragraph 15(c).	Added for better alignment with recent EU regulatory developments, particularly the Eco-design for Sustainable Product Regulation and Critical Raw Materials Act.
E5-5 Percentage and/or total weight for which the final destination is unknown. Added in draft ESRS E5 paragraph 18(e).	Added to allow mass balance of final destination of waste to be completely disclosed, not forcing undertakings to make unreasonable estimations but instead allowing them to disclose on the figures they have and can reasonably document.

Do you agree that these exceptions to the general rule are appropriate and justified?

☒ YES

☐ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

The PRI supports these additions and EFRAG’s rationale to include them.

Reporting on whether the general requirements of ESRS 1 have been applied will provide investors with information about the quality of disclosures.

We also welcome the improved alignment with recent EU regulatory developments mentioned for E5-4. Investors support policy consistency and coherence, and this would also improve reporting burden.

Finally, waste for which the final destination is unknown is relevant information for investors, as this can indicate poor management (or mismanagement) of waste, and allow investors to track progress over time.

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 practices. 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?

☐ YES

☒ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

The PRI supports this proposal. Explicitly requiring faithful representation by companies will help to ensure that disclosures are decision-useful for investors, by providing companies with clarity on the discretion and judgment they are expected to exercise when applying the standards.

However, we note that companies should still be prepared to justify materiality judgments to investors if requested. We recommend that this is clearly stated in the requirements. In addition, we recommend that additional guidance is provided on application of the “fair presentation” principle, particularly as it relates to impact materiality given this is beyond the scope of the ISSB standards.

26) Exception for Financial Institutions' Absolute Climate Reduction Targets

One of the implementation challenges noted by financial institutions relates to the requirement in ESRS E1 paragraph 26(a). This requires, when the undertaking has adopted GHG emissions intensity targets in conjunction with AR12 (“when only setting intensity targets”), to disclose also the associated absolute values” (refer also to Basis for Conclusions (BfC) Chapter 8). EFRAG SRB and SR TEG discussed whether an exception would be needed for insurance, banking and asset management sectors, but they decided that it would be appropriate to receive specific feedback before concluding. Those that support the exception argue that this information is not useful. They think that while for fossil fuel sectors gradual de-commissioning is foreseen, emphasising the role of absolute targets for lenders and investors in all sectors would provide the wrong incentive, as high-emission sectors are those in need of transition financing. They also consider that estimating the absolute targets would require multiple assumptions (such as about the composition of the portfolios, the production capacity, the market shares and the level of emission intensity), making results unreliable and thus not leading to meaningful disclosures. Those who oppose this exception note that complex estimates are common to all sectors. They also note also that both the information types of intensity and absolute targets are needed for a proper understanding of the undertaking’s progress on climate and banks are no exception in this case. Intensity targets, while capturing efficiency, may mask rising emission levels. Absolute targets capture the total impact but fail to take into account the effect of business growth. They finally note that an exception only for financial institutions would result in an unlevel playing position for the other sectors.

☐ I agree that financial institutions should be exempted from disclosing climate absolute GHG emission values targets when they have only set intensity targets (LINK TO TEXT BOX)

☒ I disagree that financial institutions should be exempted from disclosing climate absolute GHG emission values targets when they have only set intensity targets

Explain your reasoning and if you agree, elaborate on how financial institutions will give transparency and foresight to investors about their target setting and the evolution of their emissions [max 300 words].

We acknowledge that transition-supporting activities may improve intensity performance but still lead to short-term increases in absolute emissions, making longer-term absolute metrics useful. On the other hand, emissions intensity metrics show decarbonisation progress independent of business volume changes, while medium and longer-term absolute figures remain essential for calculating financed emissions and portfolio-level climate risk assessment. Therefore, rather than a full exemption, we recommend financial institutions are required to disclose both metrics with relevant context, explaining how transition activities may impact each measure differently.

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?

☒ YES

☐ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

The PRI supports this proposal.

28) ESRS S1: Calculation approach to adequate wages outside the European Union (EU)

The Amended ESRS S1 reflects an amended methodology for the calculation of non-EU adequate wages set out in the Application Requirements (ESRS S1 AR 22). This change draws on language from different parts of the agreement on the issue of wage policies, including living wages, adopted by the ILO Governing Body in 2024, after the ESRS Delegated Act was adopted. A minority of EFRAG SRB members flagged three interrelated concerns: (1) the reference to wage-setting principles risks disclosures of minimum wages that fall well-below an adequate wage standard, (2) the hierarchy requires companies to only assess relevant living wage data sets as a last resort, and (3) the DR/AR does not require companies to disclose which prong of the methodology is used, which leads to lack of comparability.

In consideration of the complexity of this issue, EFRAG is running a targeted field test and is interested in involving a diversified sample of companies. This entails participating in dedicated working sessions with EFRAG Secretariat where the company is expected to present how the revised methodology is feasible and relevant in

practice (refer to the non-EU hierarchy described in ESRS S1 paragraph AR 22 b) i) to iii) to ensure transparency and comparability on this issue.

A dedicated questionnaire will be sent directly to the companies participating in the test to allow for their preparation. The working sessions will take place between 8 and 26 September. To confirm your interest in participating in the field test on adequate wages, please send an email to fieldtestadeqwages@efrag.org by August 18, 2025.

Do you agree with the proposed change to the methodology for the calculation of non-EU adequate wages in ESRS S1?

☐ YES

☐ PARTIALLY AGREE/PARTIALLY DISAGREE

☒ NO

[COMMENTS – max 300 words]

The PRI does not support this change, which would require companies to assess whether wages established by national law or collective agreements align with ILO wage-setting principles.

As noted by the abovementioned Board members, a nominal compliance with these principles does not ensure that wages are adequate or fair. Further, the proposed disclosure directs companies to prioritise the use of local legal minimum wages when calculating the gap between lowest wages and (often much lower) “adequate” wages for employees outside the EU – allowing companies to report minimum wages without an adequate wage guarantee.

Therefore, the ESRS should require “adequate wages” to be measured: (i) against the legal minimum wage only where this is set in line with the definition of an adequate minimum wage under EU law, or the ILO principles on estimating living wages; and (ii) against living wage estimates that are set in line with ILO principles on estimating living wages. They should also be clear that companies should apply only option (i) if the authorities that set the minimum wage provide public evidence that it is in line with the EU definition of an adequate minimum wage or the ILO principles on estimating living wages. Finally, companies reporting on adequate wages should be required to disclose calculation methodologies, to improve verifiability for investors.

29) SFDR and other EU datapoints in Appendix B of Amended ESRS 2

The Omnibus proposals have not changed the general objective of supporting the creation of the data infrastructure necessary for implementing the Sustainable Finance Disclosure Regulation (SFDR). Input from investors confirms the need to implement the correct flow of information from their investee. However evidence also suggests some of the Principal Adverse Indicators (PAI) are not considered relevant in practice. As part of the systematic review of the datapoints for their reduction, EFRAG has assessed the relevance of the SFDR PAIs, as well as the level of coverage of them resulting from the general datapoint reduction.

The key changes for Social Standards (ESRS S1-S4) are:

- a) this was a consolidation exercise. Firstly, for the policies related to human rights and for the alignment with UNGP and OECD MNE Guidelines (two SFDR PAI number 9 Table #3 and Indicator number 11 Table #1 of Annex 1), eight datapoints from the four Social Standards have been merged into a “human rights policy” in ESRS 2 GDPR-P, for the four affected stakeholder groups. Secondly, the indicator in relation to severe human rights cases (SFDR PAI number 14 of Table #3 and number 10 of Table #1 of Annex 1) have been merged into one and it is maintained across the four Social Standards.
- b) a small number of amendments on the scope has taken place for SFDR PAI Indicator 3 of Table #3 in relation to days lost. Fatalities (ESRS S1-13) has been deleted from its scope. The scope of revised human rights incidents datapoint (ESRS S1-16, S2-3, S3-3, S4-3) is now clarified.

There were no changes in the ESRS G1.

In conclusion, despite the general significant reduction in DPs, the coverage of SFDR PAI has been only marginally reduced and thanks to a limited number of amendments, the relevance of the corresponding information is increased.

Do you agree with the way the SFDR PAI have been incorporated in the Amended ESRS? You are invited to explain the reason why you agree or disagree and to provide your suggestions for improvements or alternative simplification proposals, if any.

☐ YES

☒ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

The PRI supports overall efforts to simplify the standards while maintaining datapoints investors need to calculate SFDR Principal Adverse Impact (PAI) indicators.

While we support EFRAG's consolidation of disclosures on policies related to human rights and alignment with the UN Guiding Principles and OECD Guidelines for Multinational Enterprises, we recommend this datapoint is reworded to more closely align with investors' information needs under SFDR, focusing on processes and compliance mechanisms rather than whether a relevant policy is in place.

In addition, looking ahead, it will be important to ensure alignment between the ESRS and the future SFDR, given this regulation is likely to be subject to revision.

30) ESRS E4 DR E4-4

ESRS E4: Application requirement to guide undertakings in setting biodiversity- and ecosystems-related targets
As part of the simplification process, E4-4 (targets) disclosure specifications and application requirements have been mostly removed. In this context, methodological guidance for companies to what biodiversity and ecosystems-related targets can cover would be helpful. ESRS Set 1, E4 AR 26) outlines aspects that targets can address, including in relation to the size of areas protected or restored, the recreation of natural surfaces or the number of company sites whose ecological integrity has been approved. While this AR could be kept in the revised ESRS E4, some stakeholders highlighted that it could be further reviewed to better reflect latest trends in the evolving methodological landscape related to biodiversity and a stronger alignment with relevant content from science-based frameworks such as SBTN.

Do you agree that EFRAG should review AR 26 in Amended ESRS E4? Please provide suggested wording.

☐ YES

☒ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

You are invited to provide suggestions for improvements, if any. [TEXT BOX – 300 words]

We support the provision of guidance on what biodiversity and ecosystems-related targets can cover. This should reference industry-led guidance (including from TNFD, the Science Based Targets Network (SBTN) and the Food and Agriculture Organisation (FAO)) where possible.

However, we do not support the deletion of the following disclosure requirement within ESRS E4, as it is needed for investors to understand the credibility of targets disclosed.

- Whether the targets are informed by, and/or aligned with the Kunming-Montreal Global Biodiversity Framework, relevant aspects of the EU Biodiversity Strategy for 2030 and other biodiversity and ecosystem-related national policies and legislation.

31) ESRS S1 DR15: Gender pay gap

Some of the feedback obtained during the public outreach on the Remuneration metrics (ESRS S1-15), which are derived from the SFDR PAI, was to revisit the gender pay gap ratios and consider replacing it by the adjusted gender pay by employee category or, in some cases, by country. The gender pay gap metric in set 1 is aligned with the Pay Transparency Directive, (EU) 2023/970, where the unadjusted ratio is required as a global percentage and the adjusted gender pay gap by employee category is a voluntary (“may”) datapoint.

The voluntary datapoint on adjusted gender pay gap by employee ratio has not been included in Amended ESRS S1, following careful analysis and consideration of the EFRAG SRB where the pros and cons of changing the basis for gender pay gap were weighted. The conclusion reached was to maintain the global unadjusted pay gap and delete the adjusted gender pay gap by employee ratio that is a voluntary datapoint in ESRS Set 1. The deletion of the voluntary datapoint aligns with the general approach in the revised architecture.

Do you agree with the deletion of the voluntary datapoint on adjusted gender pay gap?

☒ YES

☐ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[The PRI supports this proposal.](#)

32) ESRS G1 DR G1-2 and G1-6: Payment practices

The revision of ESRS G1 have led - amongst others - to the deletion of former paragraphs 14 and 33(a), addressing "payment practices" (within the context of management of relationship with suppliers). These datapoints have been replaced by the PAT provisions and an additional specification for SMEs in paragraph 33(b). However, this deletion may still reduce visibility on how undertakings engage with and support SMEs.

Is the current replacement/formulation sufficient to meet the objectives of the CSRD in respect to the protection of SMEs?

☐ YES

☐ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

[No response](#)

33) Overall feedback per standard

The 12 ESRS Standards have been simplified. The Glossary (Annex II to the 2023 ESRS Delegated Act) has been amended to reflect the changes in the Standards. This includes the reduction of datapoints, the clarification of several provisions that created implementation issues, the enhancement of readability and streamlining of their structure and content. Amendments to the 12 Standards have been designed and implemented to achieve a substantial reduction in reporting efforts, while maintaining the core content that is needed to meet the objectives of the European Green Deal.

Please note the following requirements that were not changed in the Amended ESRS as recommended by the EC representatives, as they are subject to ongoing developments on level 1 regulation:

1. Definition of value chain for financial institutions (**ESRS 1**);
2. Exemption from consolidating subsidiaries by undertakings that are financial holdings (**ESRS 1**);
3. Relief for omission of confidential/sensitive information (**ESRS 1**);
4. Phasing-in provisions (**ESRS 1**);

5. Clarify the meaning of ‘compatibility with 1.5 degrees’ for the Transition Plans disclosure (ESRS E1).

In this question you are allowed to provide your overall opinion on the level of simplifications achieved per each standard. You can choose to reply to one or more of the Standards.

If you intend to comment also at level of single DR in Part 3 of this questionnaire, you are kindly invited not to repeat the same content twice (here and in Part 3).

You can access the Exposure Drafts of the Revised ESRS and the amended Glossary at this [link](#)

In case you would like to see the rationale behind the amendments, you can access the Log of Amendments and the markup of the Annex II (Glossary) at this [link](#).

Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?

	I agree	I PARTIALLY AGREE/PARTIALLY DISAGREE agree	I disagree
ESRS 1	()	()	()
ESRS 2	()	()	()
ESRS E1	()	()	()
ESRS E2	()	()	()
ESRS E3	()	()	()
ESRS E4	()	()	()
ESRS E5	()	()	()
ESRS S1	()	()	()
ESRS S2	()	()	()
ESRS S3	()	()	()
ESRS S4	()	()	()

Amended ESRS Exposure Drafts – July 2025 Public Consultation Survey

ESRS G1	()	()	()
Glossary	()	()	()

[IN ALL CASES COMMENTS ALLOWED – each item 300 words]

34) Any other comments

Please provide here any other comments on the 12 EDs or on the Glossary [max 300 words]

PART 3: Detailed feedback at level of DR or paragraph of the ED (optional)

In this part (optional) you can select to provide your opinion on the level of simplification achieved for one or more DR (or chapter in case of ESRS 1) and to provide your comments on the corresponding paragraphs of the 12 Amended ESRS Standards.

You can access the Exposure Drafts of the Amended ESRS at this link: [Amended ESRS Exposure Draft July 2025 ESRS E1](#)

In case you would like to see the rationale behind the amendments, you can access the Log of Amendments at this link: [Log of Amendments of the ESRS Exposure Draft July 2025 ESRS E1](#)

Do you agree that the proposed Amended ESRS strikes an appropriate balance between the need for significant simplification and meeting the core objectives of the European Green Deal?

When responding on Part 3 you will have the possibility to provide comments at paragraph level, in addition to commenting at DR (Chapter of ESRS 1) level. If you intend to provide comments at paragraph level, you are invited to do so by using the [provided Excel Template](#) (XLSX file). Please upload the filled in Excel Template in the designated box at the end of the survey. Be aware that comments provided in a different format than the provided template will create technical issues and EFRAG may not be able to process them.

[PLEASE NOTE THAT THERE WILL BE AN INTERACTIVE MENU, SO IN THE DIGITAL VERSION OF THE SURVEY THE RESPONDENT WILL SELECT THE TOPIC AND THEN CHOOSE IF THEY WOULD LIKE TO PROVIDE COMMENTS ON THE CORRESPONDING DR.]

Disclosure Requirement	I agree	PARTIALLY AGREE/PARTIALLY DISAGREE	I disagree	Comments
Disclosure Requirement BP-2 - Disclosures in relation to specific circumstances	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> • Description of planned actions to improve accuracy in future of metrics that include value chain data estimated using indirect sources • Explanation of changes in preparation and presentation of sustainability information and reasons for them. <p>This information can help investors to understand past and future changes to sustainability reporting, and engage on this basis. Further, given it is included in the ISSB standards, removing it would compromise global interoperability, and by extension comparability of reporting for investors.</p>

Disclosure Requirement GOV-1 - The role of the administrative, management and supervisory bodies	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> • Number of executive members • Number of non-executive members • Description of management's role in governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities • Description of how oversight is exercised over management-level position or committee to which management's role is delegated • Information about reporting lines to administrative, management and supervisory bodies. • Disclosure of how dedicated controls and procedures are integrated with other internal functions • Disclosure of how administrative, management and supervisory bodies and senior executive management oversee setting of targets related to material impacts, risks and opportunities and how progress towards them is monitored <p>Investor input has indicated these datapoints are decision-useful. This information would help investors to understand the internal controls that are in place for management to monitor, manage and thereby react to sustainability matters.</p> <p>Further, given these datapoints are included in the ISSB and/or GRI standards, removing them would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement GOV-2 - Information provided to and sustainability addressed by the undertaking's administrative, management and supervisory body	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> • Disclosure of whether, by whom and how frequently administrative, management and supervisory bodies are informed about material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets adopted to address them. <p>This information would help investors to understand the internal controls that are in place for management to monitor, manage and thereby react to sustainability matters.</p> <p>Further, given it is included in the ISSB and GRI standards, removing this datapoint would</p>

				compromise global interoperability, and by extension comparability of reporting for investors.
GOV-3 – Integration of sustainability-related performance in incentive schemes	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> Whether and how and sustainability-related performance metrics are considered as performance benchmarks or included in remuneration policies. <p>This information would help investors to understand management’s incentives to address material sustainability matters, and by extension how well these are managed and how they are likely to change in the future.</p> <p>Further, given it is included in the ISSB standards, removing this datapoint would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement SBM-2 – Interests and views of stakeholders	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> Description of key stakeholders. Description of categories of stakeholders for which engagement occurs. Description of how stakeholder engagement is organised. Description of purpose of stakeholder engagement. <p>This information would help investors to understand the materiality assessment process, upon which disclosures are based.</p> <p>Further, given it is included in the GRI standards and TNFD Framework, removing this datapoint would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> Disclosure of reasonably expected time horizons of material impacts. <p>This information is crucial to investors’ understanding of a company’s material impacts.</p> <p>Further, given it is included in the GRI standards, removing this datapoint would compromise global interoperability, and by extension comparability of reporting for investors.</p>

Disclosure Requirement IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> • Description of how likelihood, magnitude, and nature of effects of identified risks and opportunities have been assessed. • Description of extent to which and how process to identify, assess and manage impacts and risks is integrated into overall risk management process and used to evaluate overall risk profile and risk management processes. • Description of extent to which and how process to identify, assess and manage opportunities is integrated into overall management process. • Description of how process to identify, assess and manage impacts, risks and opportunities has changed compared to prior reporting period. <p>This information would help investors to understand the materiality assessment process, upon which disclosures are based, and the degree to which this is incorporated into companies' wider policies and procedures.</p> <p>Further, given these datapoints are included in the ISSB standards, removing them would compromise global interoperability, and by extension comparability of reporting for investors.</p> <p>Finally, we recommend clarification within paragraph AR22 that TNFD LEAP is relevant for the materiality assessment of environmental impacts. The current wording may suggest it is only useful for the purpose of screening site locations.</p>
ESRS E1 Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> • The extent to which the undertaking's Scope 3 greenhouse gas emissions are measured using inputs from specific activities within the entity's upstream and downstream value chain. <p>This information would help investors to understand how Scope 3 GHG emissions are calculated, compared to other portfolio companies, and improve verifiability of reporting..</p> <p>Further, given this datapoint is included in the ISSB standards, removing it would compromise global interoperability, and by extension comparability of reporting for investors.</p>

Disclosure Requirement E1-1 – Transition plan for climate change mitigation	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> • How targets are compatible with the limiting of global warming to 1.5°C in line with the Paris Agreement. • Taxonomy-aligned revenue and capital expenditure (CapEx) supporting transition plans and, if applicable, planned CapEx. • Information on whether the company is excluded from EU Paris-aligned Benchmarks. <p>Information on compatibility with 1.5°C through aligned pathways and scenarios is relevant for investors assessing alignment of their overall portfolios with climate objectives. Without this information, investors will need to assess companies' alignment themselves or rely on third parties.</p> <p>Reporting on Taxonomy alignment is also relevant to investors, particularly as a key indicator of transition plan credibility and effective implementation.</p> <p>Finally, investors need disclosures on exclusion from EU Paris-aligned Benchmarks to fulfil their own reporting of Principle Adverse Impacts (PAIs) under SFDR and assess compliance with ESMA fund name guidance.</p> <p>On the other hand, we support the proposal to preserve qualitative reporting on carbon lock-in as part of companies' overall dependencies, given this information is helpful for investors to understand the nature and feasibility of transition plans. The more explicit reference to dependencies will also help to improve alignment with the Transition Plan Taskforce (TPT) Disclosure Framework (which is now ISSB guidance on transition planning). Further, we welcome the addition of reporting on the role of management in transition planning, given this indicates the importance placed on such plans and how likely they are to be achieved.</p>
Disclosure Requirement E1-2 – Climate-related risks and scenario analysis	()	(X)	()	<p>We note that several changes have been made in this section which create further differentiation with ISSB requirements. We recommend that scenario analysis requirements are aligned with the ISSB standards, to ensure that investors receive adequate information about how this is conducted – to enable them to understand and assess the</p>

				results – and to ensure comparability of reporting across portfolios.
Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> Quantitative and qualitative information regarding the progress of actions or action plans disclosed in prior periods. <p>This information would help investors to understand how companies are addressing their materiality sustainability matters, and by extension how these are likely to change in the future. Further, given this datapoint is included in the ISSB standards, removing it would compromise global interoperability, and by extension comparability of reporting for investors.</p> <p>In addition, under EFRAG’s proposed requirements, entities may need to measure their emissions using both the financial control organisational boundary and operational control method, whereas the ISSB standards (in alignment with the GHG Protocol) require the use of a single approach to measure emissions. To ensure comparable emissions reporting for investors, the ESRS should adopt the same requirements as the ISSB standards.</p>
Disclosure Requirement E2-1 – Policies related to pollution	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> Disclosure of whether and how policy addresses substituting and minimising use of substances of concern and phasing out substances of very high concern. <p>Investor input has identified this datapoint as decision-useful.</p> <p>Further, we recommend that the reference to “dependencies when relevant” is amended to remove the words “when relevant”, to encourage companies to report on these and align with the TNFD Framework.</p>
Disclosure Requirement E2-4 – Pollution of air, water and soil	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> Description of changes over time (pollution of air, water and soil). <p>Given it is included in the TNFD Framework, removing it would compromise global</p>

				interoperability, and by extension comparability of reporting for investors.
Disclosure Requirement E4.2 – Policies related to biodiversity and ecosystems	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> Explanation of whether and how biodiversity and ecosystems-related policy addresses social consequences of biodiversity and ecosystems-related impacts. <p>This datapoint should be maintained to encourage consideration and disclosure of interconnected issues and their synergies and trade-offs.</p> <p>Further, given it is included in the TNFD Framework and GRI standards, removing this datapoint would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement E4.5 – Impact metrics related to biodiversity and ecosystems change	()	(X)	()	<p>We note that the biodiversity metrics have been removed from ESRS E4. To mitigate resulting risks to consistency and relevance of reporting, we recommend that the <u>TNFD core global disclosure metrics</u> are referenced, when related to topics relevant to biodiversity and ecosystems (as opposed to other ESRS, e.g. water or climate). This should include the following metrics:</p> <ul style="list-style-type: none"> Total spatial footprint (km2) Extent of ecosystem use changed, restored, and sustainably managed Quantity of high-risk natural commodities sourced, including under a sustainable management plan or certification programme (tonnes) Proportion of high-risk activities operated under appropriate measures to prevent unintentional introduction of invasive alien species <p>This approach would help to ensure relevant disclosures as well as international alignment – particularly given ISSB’s commitment to leverage TNFD’s work in its own work on nature – and build on existing efforts by companies to report according to TNFD recommendations.</p> <p>In addition, we do not support the option to report only metrics for locations relevant to existing sustainability objectives (AR7(b)). Such metrics should be reported in addition to (rather than in lieu of) those related to locations where the undertaking has identified material impacts, risks and opportunities arising from its direct operations</p>

				<p>– or locations that are significant drivers of material impacts, risks and opportunities. Otherwise, there is a risk that companies will significantly narrow the scope of locations disclosed, despite material risks to operations. We also recommend that this requirement is included within ESRS E2, 3 and 5, given this reporting is relevant for these issue areas.</p> <p>Finally, we do not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> • Disclosure of how pathways of introduction and spread of invasive alien species and risks posed by invasive alien species are managed <p>This datapoint should be maintained to encourage consideration and disclosure of information on invasive species, given this is a key driver of biodiversity loss and otherwise infrequently mentioned in ESRS E4. And given it is included in the TNFD Framework and GRI standards, removing this datapoint would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement E5.4 – Resource inflows	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> • Description of methodologies used to calculate data and key assumptions used. <p>Transparency on calculation methodologies is critical for verifiability of the information.</p> <p>Further, given it is included in the TNFD Framework, removing this datapoint would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement E5.5 – Resource outflows	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> • Non-recycled waste • Disclosure of materials that are present in waste. <p>While non-recycled waste can be derived given the requirements to disclose total amount of waste and total amount recycled, this datapoint would support transparency and facilitate investor understanding and reporting – especially as this is a data point required under SFDR – with limited additional effort for preparers.</p> <p>The second datapoint should also be added back in, as the new requirement to simply disclose “key</p>

				materials” leaves room for reporting entities to only report some types of waste materials, and obscure other materials with potential cumulative impacts. Further, given this requirement is included in the TNFD Framework and GRI standards, removing it would compromise global interoperability, and by extension comparability of reporting for investors.
Disclosure Requirement S1-1 – Policies related to own workforce	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> Disclosure of whether and how policies are implemented through specific procedures to ensure discrimination is prevented, mitigated and acted upon once detected, as well as to advance diversity and inclusion. <p>This datapoint is needed to ensure that relevant information is disclosed. Investors recognise discrimination policies as key policies that companies should have in place, and that general anti-discrimination commitments are often not specific enough unless they are backed up by specific processes and actions.</p> <p>Further, given this datapoint is included in the GRI standards, removing them would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> Description of additional initiatives or actions with primary purpose of delivering positive impacts for own workforce. <p>Given it is included in the GRI standards, removing this datapoint would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement S1-6 – Characteristics of the undertaking’s employees	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> Characteristics of undertaking’s employees - information on employees by region [table] Number of employee who have left undertaking Percentage of employee turnover Disclosure of contextual information necessary to understand data (employees)

				<ul style="list-style-type: none"> Number of full-time employees by head count or full time equivalent Number of part-time employees by head count or full time equivalent <p>Investor input has identified these datapoints as decision-useful, for the following reasons:</p> <ul style="list-style-type: none"> Investors can use information on regional makeup of the workforce when conducting a human rights risk assessment. Employee turnover is a key indicator of a company's general health, as well as its treatment of its employees. Contextual information, together with information on the number of full-time and part-time employees, is key to understanding a company's approach to its workforce, given that part-time contracts may be used to circumvent legislative requirements. <p>Further, given these datapoints are included in the GRI standards, removing them would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement S1-7 – Characteristics of non-employees in the undertaking's own workforce	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> Description of methodologies and assumptions used to compile data (non-employees) Non-employees numbers are reported at end of reporting period/average/other methodology Disclosure of contextual information necessary to understand data (non-employee workers) <p>Information on methodology and assumptions is important to ensure verifiability of data for investors, while contextual information is needed to enhance understandability of disclosures and ensure that all relevant information is provided.</p> <p>Further, given they are included in the GRI standards, removing these datapoints would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement S1-11 – Social protection	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> Whether all employees in own workforce are covered by social protection, through public programs or through benefits offered, against loss of income due to retirement.

				<p>This information is relevant to investors adopting wider and long-term horizons in an age of increasing demographic changes, and stress on public social security systems.</p> <p>Further, given this datapoint is included in the GRI standards, removing it would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement S1-14 – Health and safety metrics	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> • Number of cases of recordable work-related ill health of non-employees • Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to non-employees • Percentage of own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines and which has been internally audited and (or) audited or certified by external party. <p>Investor input has identified these datapoints as decision-useful. This information is key to understand working conditions, including of the non-contracted workforce.</p> <p>Further, given they are included in the GRI standards, removing these datapoints would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement S1-17 – Incidents, complaints and severe human rights impacts	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> • Disclosure of the status of incidents and/or complaints and actions taken. <p>This datapoint is relevant as investors need this information to understand the time it takes for companies to respond to issues.</p> <p>Further, given this datapoint is included in the GRI standards, removing it would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement S2-4 – Taking action on	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p>

material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions				<ul style="list-style-type: none"> Description of initiatives or processes whose primary aim is to deliver positive impacts for value chain workers and are designed also to support achievement of one or more of Sustainable Development Goals <p>This datapoint is useful for investors assessing their contribution to (or alignment with) the SDGs.</p> <p>Further, given it is included in the GRI standards, removing this datapoint would compromise global interoperability, and by extension comparability of reporting for investors.</p>
Disclosure Requirement S3.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirements:</p> <ul style="list-style-type: none"> Description of types of affected communities subject to material impacts Type of communities subject to material impacts by own operations or through value chain Description of activities that result in positive impacts and types of affected communities that are positively affected or could be positively affected <p>Removing these datapoints would limit understanding of a company's impacts, and of whether proper stakeholder mapping (and therefore engagement) has been carried out. Further, given they are included in the GRI standards and TNFD Framework, removing these datapoints would compromise global interoperability, and by extension comparability of reporting for investors.</p> <p>In addition, we note the requirement to disclose the occurrence of material negative impacts on affected communities is phrased in a way that may prompt companies to limit disclosure to impacts from the green transition, and in particular the effects of mines. While this is relevant information, we recommend clarifying that these should not be the only types of impacts disclosed.</p>
Disclosure Requirement S3-2 – Processes for engaging with affected communities about impacts	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> Disclosure of how the undertaking assesses the effectiveness of its engagement with affected communities <p>Given that assessment of engagement can be carried out in a number of ways, investors would</p>

				<p>benefit from clarity about how this is achieved – so they can assess whether engagement has been carried out properly.</p> <p>Further, given this datapoint is included in the GRI standards, removing it would compromise global interoperability, and by extension comparability of reporting for investors.</p>
<p>Disclosure Requirement S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns</p>	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> • If applicable, that a company has not adopted channels for raising concerns or does not support the availability of such a channel, and (if applicable) a timeframe in which they aim to have such channels or processes in place <p>This should be restored as investors would benefit from knowing whether this: (i) does not exist; or (ii) exists and is not being reported on – and whether this will be established in the future.</p>
<p>Disclosure Requirement S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions</p>	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> • Disclosure of whether and how it is ensured that own practices do not cause or contribute to material negative impacts on affected communities <p>This datapoint is a key component of due diligence processes under the UNGPs and OECD Guidelines.</p> <p>Further, given this datapoints is included in the GRI standards, removing it would compromise global interoperability, and by extension comparability of reporting for investors.</p>
<p>Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts</p>	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> • Disclosure of how effectiveness of engagement with consumers and end-users is assessed <p>Assessment of engagement can be carried out in a number of ways. Therefore, investors would benefit from clarity about how this is achieved, so they can assess whether engagement has been carried out properly.</p> <p>Further, given it is included in the GRI standards, removing this datapoint would compromise global</p>

				interoperability, and by extension comparability of reporting for investors.
Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	()	(X)	()	<p>The PRI does not support the proposed removal of the following requirement:</p> <ul style="list-style-type: none"> Initiatives or processes whose primary aim is to deliver positive impacts for consumers and/or end-users are designed also to support achievement of one or more of Sustainable Development Goals <p>This datapoint is useful for investors assessing their contribution to (or alignment with) the SDGs.</p> <p>Further, given these datapoints are included in the GRI standards, removing them would compromise global interoperability, and by extension comparability of reporting for investors.</p>