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 EFRAG

PUBLIC CONSULTATION SURVEY

DRAFT AMENDED ESRS

 JULY 2025





Amended ESRS - Exposure Draft 2025 Public Consultation Survey

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-Survey>

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>

Call for interest in participating to the cost benefit analysis on the simplification exercise

In parallel with the public consultation on the ESRS simplification, EFRAG has launched a cost-benefit analysis ('CBA') conducted by external consultants.

The purpose of this CBA is to assess the potential costs and benefits of the proposed simplifications to the ESRS.

For the analytical purpose of this CBA, in the coming weeks EFRAG will share the external consultants' CBA survey link. We kindly invite you to respond to the CBA survey as your input will be essential for the analysis.

Questionnaire instructions

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).

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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 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 welcome the improvements in clarity and structure of Chapter 3, particularly: (i) the stronger emphasis on materiality of information as a general filter, (ii) the new section with practical considerations that should help avoid unnecessarily complex or formalistic assessments, and (iii) the explicit framing of ESRS as a fair presentation framework, which supports principle-based application.

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.

These important datapoints and methodological clarity should be preserved to maintain alignment with international standards such as with ISSB and GRI and ensure comparability of reporting for investors across the globe.

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]

We welcome the guidance on how to consider remediation, mitigation and prevention actions when assessing materiality, as this addresses a long-standing area of divergence in practice. This guidance strengthens the

robustness of impact materiality assessments, aligns with international expectations (UNGPs, OECD, ISSB), and provides investors with more relevant and comparable information.

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]

We welcome the changes as they allow for the necessary robustness of disclosure while giving companies flexibility to present their sustainability reporting in a more connected, concise, and accessible way.

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).

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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

☒ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

UPP supports the changes including the following:

- The simplification and retention of General Disclosure Requirements in ESRS 2, which provides a clear baseline while reducing duplication with topical standards
- The removal of overlapping and duplicative PAT datapoints between cross-cutting and topical standards, which should ease implementation and improve clarity for preparers

This should clarify the requirements for preparers and improve implementation, enhancing the quality and understandability of disclosures for investors.

We have concerns about the deletion of certain datapoints that are important for investors:

- whether and when an entity plans to implement policies, actions and targets (PAT) for material topics,
- reporting on progress against actions disclosed in prior 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

This information is essential for understanding companies' trajectory on sustainability risks, opportunities and impacts, for assessing credibility of transition strategies, and for comparability and alignment with ISSB.

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]

UPP supports the proposed structural changes as they will likely lead to more concise and comparable disclosures that would be easier to use for investors.

However, the deletion of “may disclose” datapoints is concerning, and we are opposing this proposal. These datapoints often provided helpful examples of relevant disclosures, especially in areas where reporting practices are still evolving (e.g., biodiversity, social metrics). Moving them entirely into Non-mandatory Illustrative Guidance ('NMIG') creates additional complexity and does not support transparency for investors.

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]

No response

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

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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]

We acknowledge that the introduction of horizontal reliefs (such as “undue cost or effort” and “lack of data quality”) provides flexibility and can reduce the overall burden for preparers.

However, we are concerned that the scope and structure of some reliefs risk undermining consistency, comparability and interoperability on a global scale for companies operating in different jurisdictions:

- Reliefs that allow disclosure of only a subset of operations or activities (e.g., joint operations or newly acquired subsidiaries) may lead to a misalignment between companies' financial statements and their reported sustainability risks. This weakens the principle of connectivity between financial and sustainability reporting
- During transition periods, limiting disclosures to principal segments or subsets of the reporting entity reduces investors' ability to understand company-wide exposures, and risks inconsistent comparability between EU companies and those applying ISSB Standards in other jurisdictions
- The lack of explicit time-bound requirements for improving data quality or coverage when reliefs are applied may incentivize companies to rely on reliefs indefinitely, undermining the goal of robust reporting.

We recommend narrowing or removing reliefs that alter the reporting boundary (e.g., acquisitions/disposals, joint operations) to preserve alignment with ISSB and ensure consistency with consolidated financial statements to equip investors with comparable decision-useful and up to date information.

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.

Further guidance from EFRAG on when and how companies should use this relief would be helpful to clarify when the relief can be applied, to prevent misuse and ensure alignment with ISSB. We caution EFRAG against any additional relief or the extension of reliefs to disclosure requirements covered by the ISSB Standards.

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 longterm 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]

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UPP favors Option 1 which retains the requirement for companies to disclose both qualitative and quantitative information on anticipated financial effects, with narrowly defined reliefs to omit quantitative data under certain conditions. Quantitative disclosure is essential for investors to understand the magnitude of sustainability-related risks and opportunities and their direct connection to financial statements

Further, Option 1 better preserves interoperability with the ISSB standards and by extension supports comparability of reporting across investors' global portfolios on a consistent global basis.

We are strongly opposing option 2. This option, which makes quantitative reporting entirely voluntary. Option 2 would undermine the objective to deliver comprehensive, comparable decision useful information for investors by creating significant gaps in comparability between companies and across jurisdictions, diverging from ISSB Standards. This risks fragmenting the global reporting landscape and reduces the usefulness of ESRS disclosures for investors.

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

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

We support the retention of key datapoints in paragraphs 40-42, as reflected in the amended paragraphs. The remaining datapoints are essential for investors to understand companies' exposure to physical and transition risks, and to assess climate-related opportunities. We support the effort to align these datapoints with ISSB requirements allowing for global comparability and interoperability of disclosures.

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 EFRAG's efforts to strengthen interoperability with ISSB Standards. Nearly 40 jurisdictions are in a process of adopting or already using the ISSB Standards as the basis of the reporting requirements in their jurisdiction. It is crucial to achieve a high degree of interoperability with the ISSB's standards IFRS S1 and S2. In the absence of equivalence or alternative compliance, a company will need to navigate between two sets of standards to comply with both the CSRD/ESRS and the ISSB Standards.

There are several areas of proposed amendments that might cause additional interoperability challenges:

- the proposed option to make quantitative information about anticipated financial effects a voluntary disclosure;
- organizational boundary for GHG emissions, failing to align to the GHG Protocol;

- using reliefs similar to the ISSB Standards (for example, undue cost and effort) but with different language that can introduce intended or unintended scope differences and new reliefs beyond those used in the ISSB Standards.
- specifying how an entity identifies sustainability-related risks and how risk mitigation activities might inform this disclosure (Gross vs Net);
- the inclusion of specific requirement on value chain information regarding leased assets.

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]

UPP supports the intention to simplify and streamline the reporting burden. However, we oppose datapoint deletions that might create further misalignment with ISSB Standards. These deletions would lead to additional reporting complexity for companies operating in other jurisdictions that have already adopted ISSB-aligned regulations and create added complexity for investors in achieving clear and comparable information.

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

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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]

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We support the decision to move these six datapoints from “may disclose” to “shall disclose,” as each reflects information that is already integral to existing disclosure objectives and is highly relevant for investors and stakeholders:

- ESRS E3 – Own operations total withdrawal and total discharges: These datapoints are already necessary to calculate the water balance and therefore do not represent new burden. Their inclusion ensures fair presentation of material impacts, particularly in water-stressed regions, and strengthens alignment with emerging TNFD and global water risk reporting practices
- ESRS E4 – Disclosure of biodiversity transition plans: Transition plans are increasingly recognized as a critical tool for managing nature-related risks and are expected to become mainstream. Making this datapoint mandatory reflects growing investor demand for transparency in this area
- ESRS G1 – Training of procurement team: Supplier relationships are a key driver of sustainability risks and opportunities. Consolidating datapoints into one targeted disclosure improves clarity and ensures transparency on supplier management practices
- ESRS G1 – Confirmed incidents of corruption and bribery: Providing quantitative disclosure on confirmed incidents enhances comparability and accountability. The requirement is appropriately safeguarded (excluding identifiable details), avoiding legal risks while supporting SFDR alignment

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?

(X) YES

☐ PARTIALLY AGREE/PARTIALLY DISAGREE

☐ NO

[COMMENTS – max 300 words]

UPP supports the proposed changes.

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]

UPP supports this approach. Explicitly requiring fair presentation in reporting 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.

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.

☒ (x) 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].

UPP agrees with the proposed exception, because it ensures material, decision useful information is preserved and avoids derivation to abstractions and assumptions which could introduce inaccuracies and confusion for both preparers and users of the information.

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?

☒ (X) YES

☐ () PARTIALLY AGREE/PARTIALLY DISAGREE

☐ () NO

[COMMENTS – max 300 words]

UPP 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

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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]

UPP does not support this proposal. The proposed methodology would generate inaccuracies in adequate wages outside of the EU. Further it places an unreasonable burden on individual companies to assess whether legal minimum wages or living wage estimates align with ILO principles. The resulting data inconsistency harm comparability of data 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]

UPP supports the proposed approach as it will lead to streamlined data reporting and removed duplication.

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]

UPP supports the proposed guidance on the scope of biodiversity and ecosystems-related targets. This should reference industry-led guidance (including from TNFD, the Science Based Targets Network (SBTN) and the Food and Agriculture Organization (FAO)) where possible.

We recommend keeping the disclosure requirement within ESRS E4, as it is needed for investors to understand the credibility of targets disclosed.

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

UPP supports the efforts to maintain the global unadjusted pay gap as a mandatory part of the disclosure standard.

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

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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, UPP is not best positioned to comment on this matter.

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?

No response, UPP is not best positioned to comment on this matter.

34) Any other comments

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

Ensuring efficient reporting between the European Union and ISSB international reporting standards is essential. Divergence between reporting requirements might cause significant costs to companies and leads to a lack of comparable information in capital markets. Many companies who will need to comply with the ESRS will be subject to reporting requirements in jurisdictions outside the European Union. Currently, nearly 40 jurisdictions are in a process of adopting or otherwise using the ISSB Standards.

The following amendments can be seen as threatening to pose further challenges for interoperability. We would call attention to the following:

Proposals posing a significant risk to interoperability:

- **Anticipated Financial Effects:** the proposed option to make quantitative information about anticipated financial effects a voluntary disclosure. The proposed Option 1 would enhance interoperability between ESRS and ISSB Standards and reduce the reporting burden for companies preparing information about anticipated financial effects applying ESRS.
- **Organizational boundary – GHG emissions:** organizational boundary for GHG emissions, failing to align to the GHG Protocol.
- **Reliefs:** The EFRAG draft simplified ESRS propose additional and extended reliefs beyond ISSB Standards (e.g., for acquisitions/disposals in the reporting period, or using undue cost and effort for operational metrics). Such changes might add complexity for entities reporting under both ISSB and ESRS.
- **Risks and risk mitigation:** Entities must specify how they identify sustainability risks and disclose gross vs. net impacts. EFRAG proposes a prescriptive approach on mitigation, prevention, and remediation, which creates interoperability risks and may affect the scope of required disclosures.
- **Value Chain Information:** the inclusion of specific requirement on value chain information regarding leased assets. This proposal introduces the risk of new application differences between ESRS, ISSB Standards and the GHG Protocol.