

04-03 First batch of proposed categorisation [SRB meeting 23.11.2023]. This is the same paper as for the meeting of 15 November 2023.

Mailing from EFRAG Q&A Platform to Sustainability Reporting Board

Please note that for the questions categorised as 'implementation guidance' this indication does not correspond to a comment

Cut-off date for questions processed by EFRAG secretariat 08/11/2023

Mailing for: SR Board

Mailing type: a. cat. to be sent to SRB

Re-response ID	Category of question: * Application * Imp.G * Amendment * out of scope * Rejection (secretariat proposal)	Bundling of related questions (only applicable for implementation guidance and Sc already asked)	Allocation to E, S, G, X-cutting and others	Q+A Title (Secretariat)	Question asked (Secretariat)	ESRS reference (Secretariat)	Reason for categorisation	Main Sector	Country question coming from
29 1 - application		n/a	x-cutting	Voluntary reporting requirements Breakdown temporary, permanent, non-guaranteed hours employees	Does "may disclose" refer to an optional reporting or are these aspects still mandatory?	ESRS S1 paragraph 77, 80	ESRS 1 paragraph 18 distinguishes between obligations to disclose information for (a) 'shall disclose' and (b) 'may disclose', which indicates voluntary disclosures. ESRS S1-12 S1 paragraph 77 uses the formulation 'shall disclose', while paragraph 80 is voluntary and used 'may disclose.'	Professional Services	Germany
31 1 - application		n/a	Social	Methodology for presenting information on employees	Is this a three-way split or is non-guaranteed hours employees part of temporary/permanent employees? Is there a materiality approach for the people reporting in place (for example, if 99% of the workforce are full-time employees, the difference between our existing FTE reporting and head count is negligible. Does an additional head count reporting have to be set up or can we keep FTE reporting and provide background information for the users?)	ESRS S1 paragraph 50(b) ESRS S1 paragraph 50(b) and (d), 52(a) and (b); ESRS S1 paragraph AR 55.	According to ESRS S1-6 under paragraph 50(b) and 52(a), (b) it is possible to either report by head count or full-time equivalent (FTE). The undertaking can report on the basis of FTE only.	Professional Services	Germany
32 1 - application		n/a	Social	Definition of non-employees	Which groups can be considered as employees or non-employees workers in line with the German HGB respectively other national laws?	ESRS S1 paragraph 34 ESRS S1 paragraph 50(a), ESRS S1 paragraph 55(a)	Clarifying ESRS S1 para 4 in relation to status of employees and non-employees pursuant applicable labour law at country level.	Professional Services	Germany
33 1 - application		n/a	Social	Energy mix Materiality, positive impact only	Does disclosure E1-37(b) refer to all forms of energy generated from nuclear sources, such as electricity? If so, does this disclosure also encompass electricity mixes that include fractions of nuclear-generated electricity? Can an impact be material if it is material from a positive impact perspective, only?	ESRS E1 paragraph 37(b); mix (mix %) ESRS E1 paragraph AR3 (7) ESRS 1 chapter 3.4; paragraph 46	Disclosure to reflect electricity consumption from nuclear sources in electricity (mix (mix %)) Refer to ESRS 1 paragraph 46 explaining when a positive impact is material	Professional Services	Germany
36 1 - application		n/a	Environment	Structure of sustainability statement	Separating HR policies (S1-1), action plans (S1-4), targets (S1-5) and metrics (S1-9 to S1-17) is not efficient for the understanding of the users. Can we put into one chapter, for each material issue (eg Health and safety), the policy with the targets, the action plan and the metrics?	ESRS 1 paragraph AR3 (7) ESRS 1 chapter 3.4; paragraph 46	ESRS 1-8 provides the basis for the presentation of the information about sustainability matters prepared in compliance with Articles 19a and 29a of Directive 2013/34/EU. Appendix F includes a non-binding illustrative example. To consider additionally is the option to present the disclosures required by ESRS 2 SBM-3 alongside the topical disclosures, as specified in ESRS S1 paragraph 11.	Metal Processing	Netherlands
37 1 - application		n/a	x-cutting	List of sectors SBM1	What are the 'ESRS sectors' mentioned under the ESRS 2 Disclosure Requirement SBM-1? About the carbon accounting for insurance companies : - What is the exact scope of reporting scope 3 greenhouse gas emissions for insurance companies? For example, for a car bumper refund, should the greenhouse gas emissions linked to the manufacture and transport of the bumper be included? - Should the greenhouse gas emissions of the companies in which the insurance company invests be taken into account when reporting the insurance company's greenhouse gas emissions?	ESRS 1 paragraph 46	Phase-in provision for breakdown of revenue per sector is in ESRS 1; it is helpful to clarify it explicitly as the legal text is complicated to read and apply. Direction of answer : This disclosure requirement is subject to the adoption of the delegated act which will list the ESRS sectors (SEC1).	Not applicable	Germany
38 1 - application		n/a	Social	GHG protocol, operational control	If appendix C of ESRS 1 allows companies under 750 employees to omit E4 and S1-4 for the first three years, why does ESRS 2 paragraph 17 then say that the information still needs to be disclosed if considered material? Is there a difference in granularity of information disclosed? According to ESRS, when calculating the total GHG emissions, the principles, requirements and guidance provided by the GHG protocol should be considered. In the GHG protocol, there are different methods to use when deciding the organizational boundaries (equity share approach and control approach), which one should be used according to ESRS? Considering the case of a holding company with over 100 companies, is it imperative for all 100+ companies to rely on the exact same criteria and methods for the collection of the GHG emissions data, provided they all align with the GHG protocol, and the requirements set out in E1-6 (and the corresponding application requirements)?	Disclosure Requirement S1-1 Policies to own workforce ESRS 2 DR SBM-1, paragraph 40 (b), (c), and paragraph 41; ESRS 1 Appendix C on ESRS 2, SBM-1	ESRS 1-8 provides the basis for the presentation of the information about sustainability matters prepared in compliance with Articles 19a and 29a of Directive 2013/34/EU. Appendix F includes a non-binding illustrative example. To consider additionally is the option to present the disclosures required by ESRS 2 SBM-3 alongside the topical disclosures, as specified in ESRS S1 paragraph 11.	Not applicable	France
39 1 - application		n/a	x-cutting	scope 3 boundaries, financial investment, insurance companies	What are the 'ESRS sectors' mentioned under the ESRS 2 Disclosure Requirement SBM-1? About the carbon accounting for insurance companies : - What is the exact scope of reporting scope 3 greenhouse gas emissions for insurance companies? For example, for a car bumper refund, should the greenhouse gas emissions linked to the manufacture and transport of the bumper be included? - Should the greenhouse gas emissions of the companies in which the insurance company invests be taken into account when reporting the insurance company's greenhouse gas emissions?	ESRS 1 paragraph 46	AR 39 ESRS E1 - the undertaking shall consider the GHG Protocol. GHG Protocol Scope 3 category 15 identifies 'Investments' as a category to consider when accounting for GHG. Company to assess and define which scope 3 categories are significant, including investments	Not applicable	Finland
43 1 - application		n/a	Environment	GHG emissions, subsidiaries	If appendix C of ESRS 1 allows companies under 750 employees to omit E4 and S1-4 for the first three years, why does ESRS 2 paragraph 17 then say that the information still needs to be disclosed if considered material? Is there a difference in granularity of information disclosed? According to ESRS, when calculating the total GHG emissions, the principles, requirements and guidance provided by the GHG protocol should be considered. In the GHG protocol, there are different methods to use when deciding the organizational boundaries (equity share approach and control approach), which one should be used according to ESRS? Considering the case of a holding company with over 100 companies, is it imperative for all 100+ companies to rely on the exact same criteria and methods for the collection of the GHG emissions data, provided they all align with the GHG protocol, and the requirements set out in E1-6 (and the corresponding application requirements)?	Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	While a 3 year relief has been granted to undertakings with less than 750 employees for the standards E4 & S1 to S4, ESRS2 par. 17 still requires disclosures (PTAP and metrics) if those topics are material. Direction of answer "Appendix C of ESRS 1 allows companies under 750 employees to omit E4 and S1-4 for the first three years. However, according to ESRS 2 paragraph 17, if material matters relate to these standards, the relief is more a reduced granularity than an omission of all disclosure requirements as undertakings need to disclose brief descriptions on the policies, actions and targets as well as the metrics that the undertaking deem relevant to the matters in question."	Insurance	France
58 1 - application		n/a	x-cutting	Entity specific guidance and examples	Can you give any concrete examples of potential entity specific sustainability matters and any guidance related to finding and dealing with such?	ESRS 2 paragraph 17 Use of phase-in provisions in accordance with Appendix C of ESRS 1	ESRS 1 para. 62 overall sets financial control boundary: "The sustainability statement shall be for the same reporting undertaking as the financial statements...".	Professional Services	Germany
78 1 - application		n/a	Environment	GHG emissions, subsidiaries	Can you please precise if for the below indicators : a) the gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees; should we include variable components of salary or only gross wage	ESRS E1 paragraph 44; ESRS E1 paragraph AR 39	ESRS E1 para 46, 50b; AR40 and ESRS E2 then extends boundary in relation to operational control. Using same methodologies is recommended, but not prescribed in ESRS. In alignment with ESRS E1 AR39b, ESRS E1 50, ESRS E1 AR46 (h), the undertaking is expected to disclose if different methodologies are being used. [Note: there is an element here which EFRAG cannot pre-judge. The assessment if the methods and data collection complies with the requirements of ESRS 1 and 2 is a topic for the auditors to assess.] As mentioned in ESRS 1 paragraph 131 and in the draft MAIG step B par 67 : The available best practices and/or available frameworks and/or other reporting standards, such as the IFRS industry-based guidance and GRI Sector Standards, are possible sources of relevant disclosures for entity-specific matters." -> Links to ex-SASB, GRI sector standards and Shift Red Flags have been added in the draft answer	Not applicable	Sweden
81 1 - application		n/a	Environment	Calculation of gender pay gap	Can you please precise if for the below indicators : a) the gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees; should we include variable components of salary or only gross wage	Disclosure Requirement E1-6	ESRS E1 para 46 – 52 specifies what DRs para 44 shall include Indeed, DR in relation to ESRS E1 para 44 are met by disclosing on paras 46 - 52	Not applicable	Germany
106 1 - application		n/a	x-cutting	Entity specific guidance and examples	Can you give any concrete examples of potential entity specific sustainability matters and any guidance related to finding and dealing with such?	ESRS 1 Appendix A Entity specific disclosures	ESRS architecture: overall DR - objectives - specific DRs ESRS E1 para 45 outlines the objective of para 44 ESRS E1 para 46 – 52 specifies what DRs para 44 shall include	Professional Services	Finland
109 1 - application		n/a	Environment	Disclosure requirement	Is the bolded DR statement an indicator ie. a KPI that the undertaking has to respond to? Or is it simply a "headline" that prescribes what the paragraph will contain once all the individual datapoints are completed? Can you please precise if for the below indicators : a) the gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees; should we include variable components of salary or only gross wage	Disclosure Requirement E1-6	Indeed, DR in relation to ESRS E1 para 44 are met by disclosing on paras 46 - 52 ESRS S1 AR 98 clarifies how to calculate the gender pay gap, (a) specifying to include 'all employees' gross hourly pay level' and (b) provides a formula.	Textiles, Accessories, Footwear and Jewellery	France
132 1 - application		n/a	Social	Guarantee of Origins	Under which circumstances can reporting entities use Guarantees of Origin for biomethane (or green hydrogen certificates) to assess their emissions (market-based) under scope 1 as per ESRS E1 Paragraph 48 and AR 43?	Disclosure Requirement S1-16	There is no market-based accounting in ESRS or GHG Protocol for GHG emissions Scope 1.	Not applicable	France
136 1 - application		n/a	Environment	Guarantee of Origins	Under which circumstances can reporting entities use Guarantees of Origin for biomethane (or green hydrogen certificates) to assess their emissions (market-based) under scope 1 as per ESRS E1 Paragraph 48 and AR 43?	ESRS E1 paragraph 48; ESRS E1 paragraph AR 43		Professional Services	Norway

157	1 - application	n/a	x-cutting	ESRS 2 GOV disclosures and detailed specifications in the topical ESRS	If there is no additional guidance then do the other disclosure requirements do not apply to the topical standard (meaning Gov 1 and Gov 2 don't apply). Or do they all still apply, but there is just more guidance to follow in the topical (such that there is more specific guidance for Gov 3 specifically when reporting on E1?)	Disclosure Requirement GOV 1 and 2; ESRS 1 paragraph 29	ESRS 2 disclosures are 'cross cutting in nature' so they do not refer to a specific topic. Some of them also have topical specifications in topical standards. The ESRS DRs that do not have a topical specification are applied at cross cutting level (without referring to a specific topic).	Professional Services	United States of America
162	1 - application	n/a	x-cutting	minimum number of material matters?	Is there a minimum number of material sustainability matters?	ESRS 2	Direction of answer: no minimum number of material sustainability matters is set in ESRS+ ref to ESRS1 par 32 (if climate is not material, explanation mandatory, if other topics are not material, brief explanation optional). The number will reflect the outcome of MA, based on specific facts and circumstances of the undertaking. MA IG provides guidance on how to conduct the materiality assessment as materiality is a principles-based concept.	Professional Services	Netherlands
180	1 - application	n/a	x-cutting	time horizon - difference for impact / financial materiality	Is there a difference between the time horizon as defined in ESRS 1 for impact materiality and for financial materiality?	ESRS 1 chapter 6.4 ESRS E1 paragraph 34 (a) and (b); ESRS E1 paragraph AR 46 (g), (h), (i)	Clarification that time horizons are defined in ESRS 1 chapter 6.4 with no distinction made between impact and financial materiality. Also to note the option of deviating from standardised time horizons in ESRS 1 para 80.	Not applicable	France
167	1 - application	n/a	Environment	GHG Protocol Scope 3; Sector	Is there a requirement for, or guidance around, the methods allowed to calculate Scope 3 emissions from shipping?	ESRS 1 paragraph AR 46 (g), (h), (i)	ESRS set reporting standards but do not prescribe detailed calculation methodologies. Additional provisions may be envisaged as part of the future ESRS sector standards.	Not applicable	Norway
67	1 - application	n/a	x-cutting	SBM-3 vocabulary / grammar	Can you provide a more detailed explanation on how the expression 'as opposed to' is to be interpreted in the context of the disclosure requirement SBM-3?	ESRS 2 paragraph 48 (h)	as opposed' in this context is used to mean 'a specification of whether those impacts, risks and opportunities that are covered by ESRS Disclosure Requirements or by the undertaking using additional entity-specific disclosures'.	Not applicable	Italy
2a - implementation 6 guidance (new)	Scope of 'training' under ESRS S1	Social		Forms and documentation of training qualitative vs quantitative disclosures for DR SBM 3 financial effects	Which sorts of training should be accounted for and how should it be documented? Is there a corresponding requirement through ESRS2 SBM3 448 d) and e) to also monetarily quantify S- and G risk and opportunities or does ESRS2 SBM3 448 d) and e) just imply a qualitative description of financial effects for S- und G-risks and opportunities?	ESRS S1 paragraph 13	Annex II, Table 2 provides a broad definition of 'training' ('can include different methodologies, such as on-site training, and online training'). Further guidance on the forms of training this includes is necessary and requires a more broader approach than a clarification. Answering how to document training is however outside the scope of ESRS. SBM 3 is not explicit.	Capital Markets	Denmark
2a - implementation 141 guidance (new)			x-cutting			ESRS 2 paragraph 48 (d) and (e)		Motor Vehicles	Germany
2a - implementation 174 guidance (new)	IG: Examples of impacts (AR16)		x-cutting	Impact description for ESRS 1 paragraph AR 16	Can EFRAG provide an impact description for each of the (sub)(Sub) topics in the list of sustainability matters to be considered as displayed in AR 16?	ESRS 1 Appendix A: Application Requirements; ESRS 1 paragraph AR 16 (Sustainability matters to be included in the materiality assessment)	Materiality assessment is specific to facts and circumstances of the undertaking; hence, severity is particular to each undertaking together with likelihood. [NOTE OF EFRAG SECRETARIAT: Usefulness of examples is questionable. They may be misleading if they are understood to be applicable by analogy in other circumstances. They could be considered in a sector specific dimension.]	Construction and Engineering	Netherlands
177	2a - implementation guidance (new)	n/a	x-cutting	link Disclosure Requirements to sustainability matters	Is there a mapping link between the sustainability matters listed in AR 16 and the disclosure requirements in the topical standards or must judgement be used in deciding the disclosures required for a material sustainability matter?	ESRS 1 paragraph AR 16	The ESRS do not include such mapping.	Professional Services	Ireland
196	2a - implementation guidance (new)	n/a	Environment	Water storage	For the water storage metrics reporting, can we align with CIMM water guidance definition? Will the EU provide a comprehensive and validated set of emission factors to be used in the calculation? If not, how can we validate the accuracy of our emission calculation?	ESRS E3 - DP28	This will require implementation guidance or, alternatively, may be covered by the development of sector standards.	Mining, Quarrying and Coal	France
63	4 - out-of-scope of EFRAG	n/a	Environment	Emission factors	Electronic submission of sustainability statement	E1	This Question refers to a topic which is out of the remit of EFRAG.	Not applicable	Netherlands
138	4 - out-of-scope of EFRAG	n/a	XBRL	Number of employees - EU size criteria	How will electronic submission be handled once reporting is completed? One of the criteria for CSRD is the number of employees. How do you define employees? Is it fulltime, contractors, part-time, every category?	ESRS	EFRAG is responsible for the development of the digital ESRS XBRL taxonomy, that will be used for tagging. The actual tagging rule and storage mechanism for digital ESRS statements will be defined by ESMA and national Official Appointed Mechanisms (OAMs). This is on Article 3 of the Accounting directive requiring member states to define the categories of undertakings and groups including the criteria employees, so question does not relate to ESRS	Information Technology	Ireland
151	4 - out-of-scope of EFRAG	n/a	Other	EU size criteria	How do you define employees? Is it fulltime, contractors, part-time, every category?	ESRS 1	Question unclear and not conclusive	Professional Services	Netherlands
28	5a -rejection: non-conclusive	n/a	Social	Definitions S4	Why are not all datapoints as well as application requirements included in the excel draft list of esrs data points? Some points are missing (e.g. ESRS 2 BP-2 DP 7 and 8) while some points are listed more than once (e.g. ESRS 2 BP-2 DP 15). Also, many application requirements are not included in the list. Why is this the case?	ESRS S4	Refer to the revised IG 3 published on the 15 November 2023, this is a draft paper subject to approval that is to be read in conjunction with the methodology note.	Information Technology	Mexico
105	5b - rejection: non-widespread	n/a	XBRL	XBRL - complete list of requirements		3-05-03 draft list of esrs data points	Rejection as this is covered by MAIG FAQ 13	Not applicable	Germany
102	5d - rejection: already asked/answered	n/a	x-cutting	Materiality / Consolidated reporting	How to conduct the materiality assessment in groups with many subsidiaries: one consolidated materiality assessment or within each subsidiary with subsequent aggregation?	ESRS 1 chapter 7.6; MAIG (update based on final MAIG)	Refer to MA IG chapter 5.4 and FAQ 15-17 that further elaborates on ESRS 1	Professional Services	Finland
103	5d - rejection: already asked/answered	MAIG chapter 5.4; FAQ 15 and 16	x-cutting	Materiality assessment - stakeholder groups	Are there stakeholder groups that are mandatorily to be consulted?	ESRS 1 chapter 3.1 Stakeholders and their relevance ...; MAIG chapter 5.4		Professional Services	Finland
117	5d - rejection: already asked/answered	ID 1	x-cutting	Gross or net (impact) materiality	Do we have to consider net or gross risk in the materiality assessment? Will a "may"-disclosure be mandatory to disclose, if the datapoint is material? And vice-versa can a "shall"-disclosure be omitted if the datapoint is not material? The question is; what relevance has "shall" and "may" after materiality assessments was included by the European Commission?	materiality assessment	Clarification in FAQ 23 of the MAIG	Health Care and Services	Germany
133	5d - rejection: already asked/answered	MAIG chapters 2.3 & 2.4	x-cutting	Voluntary / Mandatory requirements		ESRS 1 paragraph 18	MAIG par 49, 54 and 55	Professional Services	Denmark
134	5d - rejection: already asked/answered	MAIG FAQ 22	x-cutting	Group active in different sectors	Materiality is reported on at consolidated level for a company that operates and own many different technologies, all within the same entity. However, a topic is deemed material due to one technology, while the same topic is immaterial for another technology. Can you scope out this topic for the technology where its immaterial, while report only the metrics on the technology where it is material?	ESRS 1 paragraph 104	Question answered in the draft MAIG sections 3.6 and 3.7 Setting thresholds for impact materiality and financial materiality - therefore could be rejected	Not applicable	Norway
163	5d - rejection: already asked/answered	MAIG chapters 3.6 and 3.7	x-cutting	Universal thresholds?	Are there universal thresholds for impact and financial materiality? If not, how can we avoid changing the final list of material sustainability matters?	ESRS 1		Professional Services	Netherlands

5d - rejection: already 183 asked/answered MAIG chapter 2.2 par 44 x-cutting Relationship of IROs with (sub-)/sub-topics We must achieve double materiality on matters defined as topics, sub topics or sub sub topics defined in the ERS E1 to G1. To what extent can we perform materiality assessment on sub-topic and with results directly characterize these matters as IROs ? ERS 2 IRO-1; MAIG chapter 2.2 rejection (already answered) MAIG chapter 2.2 (current para 44) you need to identify IROs for (sub-)/sub-sub-topics Professional Services France

