

05-02 First batch of categorisations approved by SRB [SR TEG meeting 05.12.2023].

Mailing from ESRs Q&A Platform to Sustainability Reporting Technical Expert Group

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: [redacted]

Mailing for: SR TEG

Mailing type: [redacted]

Response ID	Category of question: * Application * Imp.G * Amendment * Rejection (Secretariat proposal)	Bundling of related questions (only applicable for implementation guidance and 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 - explanation question	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 - explanation question	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?	ESRS S1 paragraph 50(b)	ESRS S1-6, paragraph 50(b) asks for a disclosure for each category. See also S1 ARS5, Table 3 (Template for presenting information by contract type) and S1 ARS6 for a definition of each and an explanation that definitions of permanent, temporary, non-guaranteed hours employees differ between countries.	Professional Services	Germany
32	1 - explanation question	n/a	Social	Definition of non-employees workers in line with the German HGB respectively other national laws?	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) and (d), S2(a) and (b), ESRs S1 paragraph AR 55, ESRs 1 paragraph 34	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
33	1 - explanation question	n/a	Social	Structure of sustainability statement	Which groups can be considered as employees or non-employees workers in line with the German HGB respectively other national laws?	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
36	1 - explanation question	n/a	Environment	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?	ESRS E1 paragraph 37(b); ESRs E1 paragraph AR3 (7)	Disclosure to reflect electricity consumption from nuclear sources in electricity mix (mix %)	Metal Processing	Netherlands
37	1 - explanation question	n/a	x-cutting	List of sectors SBM1	Can an impact be material if it is material from a positive impact perspective, only?	ESRS 1 chapter 3.4; paragraph 46	Refer to ESRs 1 paragraph 46 explaining when a positive impact is material	Not applicable	Germany
38	1 - explanation question	n/a	Social	Scope 3 boundaries, financial investment, insurance companies	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?	Disclosure Requirement S1-1 Policies related 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 - explanation question	n/a	x-cutting	Transition provisions 750 employees	What are the 'ESRS sectors' mentioned under the ESRs 2 Disclosure Requirement SBM-1?	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	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	Finland
43	1 - explanation question	n/a	Environment	GHG protocol, operational control	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?	Disclosure Requirement E1-6 - Gross Scope 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 - explanation question	n/a	x-cutting	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?	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 - explanation question	n/a	Environment	Entity specific guidance and examples	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?	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.	Not applicable	Sweden
81	1 - explanation question	n/a	Environment	Disclosure requirement	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	Using same methodologies is recommended, but not prescribed in ESRs. In alignment with ESRs E1 AR39b, ESRs E1 50, ESRs E1 AR46 (n), 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.]	Not applicable	Germany
106	1 - explanation question	n/a	x-cutting	Calculation of gender pay gap GHG emissions scope 1;	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	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	Professional Services	Finland
109	1 - explanation question	n/a	Environment	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? 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 (such that there is more specific guidance for Gov 3 specifically when reporting on E1)?	Is the bolded DR statement an indicator i.e. 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	ESRS E1 para 45 outlines the objective of para 44 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	Textiles, Accessories, Footwear and Jewellerys	France
132	1 - explanation question	n/a	Social	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? 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 (such that there is more specific guidance for Gov 3 specifically when reporting on E1)?	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? 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 (such that there is more specific guidance for Gov 3 specifically when reporting on E1)?	Disclosure Requirement S1-16	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.	Not applicable	France
136	1 - explanation question	n/a	Environment	ESRS 2 GOV disclosures and detailed specifications in the topical ESRs	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? 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 (such that there is more specific guidance for Gov 3 specifically when reporting on E1)?	ESRS E1 paragraph 48; ESRs E1 paragraph AR 43	There is no market-based accounting in ESRs or GHG Protocol for GHG emissions Scope 1.	Professional Services	Norway
157	1 - explanation question	n/a	x-cutting	Minimum number of material matters?	Is there a minimum number of material sustainability matters?	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 - explanation question	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 - explanation question	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	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 - explanation question	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 E1 paragraph 34 (a) and (b); ESRs E1 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 - explanation question	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
6	2a - implementation guidance (new)	Scope of 'training' under ESRs S1	Social	Forms and documentation of training	Which sorts of training should be accounted for and how should it be documented?	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
141	2a - implementation guidance (new)	n/a	x-cutting	qualitative vs quantitative disclosures for DR SBM 3 financial effects	Is there a corresponding requirement through ESRs2 SBM3 §48 d) and e) to also monetarily quantify S- and G risk and opportunities or does ESRs2 SBM3 §48 d) and e) just imply a qualitative description of financial effects for S- and G-risks and opportunities?	ESRS 2 paragraph 48 (d) and (e)		Motor Vehicles	Germany
174	2a - implementation 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 ICMW water guidance definition?	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	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?	E1	This Question refers to a topic which is out of the remit of EFRAG.		Netherlands
138	4 - out-of-scope of EFRAG	n/a	XBRL	Electronic submission of sustainability statement	How will electronic submission be handled once reporting is completed?	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).	Information Technology	Ireland
151	4 - out-of-scope of EFRAG	n/a	Other	Number of employees - EU size criteria	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 1	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	Professional Services	Netherlands
28	5a -rejection: non-conclusive	n/a	Social	Definitions S4	define all	ESRS S4	Question unclear and not conclusive	Information Technology	Mexico
105	5b - rejection: non-widespread	n/a	XBRL	XBRL - complete list of requirements	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?	3-05-03 draft list of esrs data points	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.	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)	Rejection as this is covered by MAIG FAQ 13	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	Refer to MA IG chapter 5.4 and FAQ 15-17 that further elaborates on ESRs 1	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?	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	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?	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 deeper 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	rejection (already answered) MAIG chapter 2.2 (current para 44) you need to identify IROs for (sub-)/sub-sub-topics	Professional Services	Netherlands
183	5d - rejection: already 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 ESRs E1 to G1. To what extent can we perform materiality assessment on sub-topic and with results directly characterize these matters as IROs?	ESRS 2 IRO-1; MAIG chapter 2.2		Professional Services	France

