

Mailing from ESRs Q&A Platform to Sustainability Reporting Board

Cut-off date for questions processed by EFRAG secretariat:		Mailing for:		SR Board		Mailing type:		a. cat. to be sent to SRB		
Response ID	Category of question: * Application * Imp.G * Amendment * out of scope * Rejection (secretariat proposal)	bundling of related questions (only applicable for representation 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	Stakeholder group	Country question coming from
122	1 - explanation	n/a	x-cutting	Value chain - tier N	As part of the materiality analysis it is necessary to identify all material upstream activities. My question is about when it is allowed to make a cut, as some considerations would clearly exceed the scope. Example: Among other activities a logistic company uses trucks to transport the goods. This naturally results in various environmental effects (e.g. CO <sub>2</sub> emission), but does the company now have to record the entire production of the truck? This would at once make all ESRs issues material.	ESRS 1 chapter 5.1 Reporting undertaking and value chain	Chapter 5.1 ESRs 1, ESRs E1 para 46, Section 2.2.2.3 and 2.4 of VCIG and FAQ 1 and FAQ 7 of the VCIG. The answer is in ESRs, and explained further in VCIG	Professional Services	Industry Group	Germany
171	1 - explanation	n/a	x-cutting	Meaning of administrative, management and supervisory bodies	Please clarify with examples what is meant by "administrative, management and supervisory bodies" as a collective vs. "management" & "management-level position" vs. "senior executive management".	ESRS 2 paragraph 22 (a) and (d)	AMS bodies in defined terms	Health Care and Services	Preparer	Sweden
214	1 - explanation	n/a	Social	Resources to manage material impacts	When mentioning "material impacts" in paragraph 43 of S1.4, it is unclear if you mean "all" material impacts, or "Own Workforce" material impacts?	S1-4 paragraph 43	ESRS 1 paragraph 43 is related to material impacts on the undertaking's own workforce (ESRS S1).	Information Technology	Preparer	Belgium
215	1 - explanation	n/a	Social	Social Dialogue Global Percentage	Can you clarify the "global percentage, reported at the country level" in paragraph 63?	ESRS S1 paragraph 63, ESRS AR 69, ESRS S1 paragraph AR 70	ESRS S1 paragraph AR69 clarifies that "for calculating the information required by paragraph 63(a), the undertaking shall identify in which EEA countries it has significant employment (i.e. at least 50 employees representing at least 10% of its total employees). For these countries it shall report the percentage of employees in that country which are employed in establishments in which employees are represented by workers' representatives."	Information Technology	Preparer	Belgium
217	1 - explanation	n/a	Other	Prudential consolidation	Should an undertaking disclose the information in accordance with the requirements relating to prudential consolidation laid down in Part One, Title II, Chapter 2 of the Capital Requirements Regulation (EU) 575/2013?	ESRS 1 paragraph 62	the answer is no. The starting point is the financial reporting group, not the prudential regulation in CR. Answer is based on ESRs 1 para 62	Credit Institutions	User	San Marino
243	1 - explanation	n/a	Social	Reference Financial Statement	We couldn't understand this datapoint S1 (f)	S1-6	ESRS S1.6 paragraph 50(1) requires a reference to the most representative number in the financial statements. As laid out in the Accounting Directive (Directive 2013/34/EU Article 16(1)(h)), the financial statements include the "average number of employees during the financial year."	Power Production and Energy Utilities	Industry Group	France
5	4 - out-of-scope of EFRAG	n/a	Other	Audit	Who will be able to audit the content of the disclosed information?	none	the question relates to the audit provisions of the CSRD (chapter 8 of the accounting directive); they are beyond EFRAG's remit	Not applicable	Other	Luxembourg
16	4 - out-of-scope of EFRAG	n/a	Other	Audit of sustainability statement	Is there an auditors' template on Double materiality assessment?	ESRS 2	question is on the relationship auditor vs client and third party consultant; does not relate to ESRs reporting	Professional Services	Other	Netherlands
187	4 - out-of-scope of EFRAG	n/a	Other	holding and subsidiary reporting	What are the rules to define the reporting undertaking if a subsidiary is obliged to report according to the CSRD rules while the holding on top is not due to its legal form (foundation). Is the subsidiary obliged to report on subordinate subsidiaries which are not consolidated in its financial statements but in the statements of its holding?	ESRS 1 chapter 5.1	Question related to Article 29a (1) of the accounting directive not to ESRs	Mining, Quarrying and Coal	Industry Group	Germany
202	4 - out-of-scope of EFRAG	n/a	Other	Sustainability statement and official language of the Union	What are acceptable languages for the sustainability statement [and the materiality assessment]?	ESRS 1	As sustainability statements are part of the management report the applicable is not an ESRs but a question related to the Accounting directive	Professional Services	Other	Netherlands
209	4 - out-of-scope of EFRAG	n/a	Other	Third country parent and reporting of EU subsidiaries	When third-country undertakings report to exempt subsidiaries pursuant to Articles 19a(2) and 29a(8) of the Accounting Directive, and when Union undertakings report pursuant to Article 48 of the Accounting Directive, where and how shall the "consolidated sustainability reporting" be published?	ESRS 1, section 8; Annex II, 'sustainability statement' definition	very relevant question; must be discussed with the Commission how to respond to that; to consider you cannot have exempt subsidiaries if you do not report?	Chemicals	User	Switzerland
210	4 - out-of-scope of EFRAG	n/a	Other	Third country parent and reporting of EU subsidiaries	When third-country undertakings publish consolidated sustainability reporting to exempt subsidiaries pursuant to Articles 19a(8) and 29a(8) of the Accounting Directive, and when Union undertakings report consolidated sustainability reporting pursuant to Article 48 of the Accounting Directive, how shall they meet financial disclosure requirements if they lack a matching financial consolidation?	ESRS 1 section 9.2; DRs that concern financial information throughout the ESRs	very relevant question; must be discussed with the Commission how to respond to that; also link to ID 209 please	Chemicals	User	Switzerland
216	4 - out-of-scope of EFRAG	n/a	Other	Phase-in thresholds	In case of a consolidated sustainability reporting in accordance with new article 48i in 2013/34/EU (defined by 2022/2464) the thresholds for ESRs phase-ins / exemptions are applicable based on the number of employees of each individual undertaking included in the consolidated report, and not based on the consolidated number of employees, correct?	Appendix C, phase in requirements on ESRs E1-6, ESRs S1	Question related to Article 48i of the Accounting Directive not ESRs	Electronics and electrical equipment	User	Germany
222	4 - out-of-scope of EFRAG	n/a	Other	Modification of size criteria for large undertakings and groups	Can the EFRAG please clarify the eligibility requirements for Non-EU companies given the recent update to eligibility requirements for EU companies?	ESRS 1	question is on the change of size criteria and their application date; could also be rejected as no answer is given	Not applicable	Other	Netherlands
232	4 - out-of-scope of EFRAG	n/a	Other	no financial consolidation; size criteria	Does a group of companies that as a whole meets the size thresholds to report have to create a consolidated sustainability report even if that group does not financially legally consolidate?	ESRS 2, 1.5.; ESRs 1, 66	Question relates to when a group needs to prepare consolidated financial statements and a consolidated management report; the answer is not given in ESRs	Electronics and electrical equipment	Industry Group	Belgium
233	5a - rejection: non-conclusive	n/a	Other	Definition of all DR and datapoints	Dear all, wouldn't be possible to update the xls ESRs datapoints with clear definitions?	Disclosure Requirement E1-5 and S1-1 et seq.	ESRS have been developed based on DR and datapoints with a comprehensive set of defined terms together with application guidance supporting the implementation of the respective standards and IG; a general request to provide definitions and more explanations is not helpful and due to impossible to fulfill, it has to be noted that definitions are based on terms that again request their definitions creating an endless ask for recurring definition of the definitions; this has to be acknowledged resulting in the unavoidable need to end the recurring cycle somewhere	Health Care and Services	Industry Group	France
281	5b - rejection: non-answered	n/a	x-cutting	Materiality - at what point in time to consider value chain	When doing the materiality assessment should value chain be considered from the outset or should own operations be considered first subsequently value chain be interpreted?	ESRS 1.3.3 Double materiality, paragraph 42.	We do not expect the question of whether (a) to assess own operations first and then VC or (b) both together at the same time is widespread; also we notice that ESRs do not prescribe behavior and thus would be agnostic to which of the two approaches should be taken in theory it may be easier to understand your own IRDs before considering that of the VC but again do not ESRs do not prescribe	Pharma and Biotechnology	Industry Group	Thailand
1	5d - rejection: already asked/answered	MAIG FAQ 23	x-cutting	Gross or net (impact) materiality	Shall preparers use an inherent (gross) or residual (net) perspective?	ESRS 1 chapter 3.4 "Impact Materiality"	Answer in FAQ 23 of the MAIG	Insurance	Other	Italy
3	5d - rejection: already asked/answered	VCIG FAQ 5 and 6	x-cutting	Materiality in value chain only	Topic is not material for "own operations" but material for other segments. DR still due?	ESRS 1 chapter 5.1 Reporting undertaking and value chain	Question asked is answered by FAQ 5 and 6 of the VCIG confirming the answer given by the submitter	Insurance	Other	Italy
212	5d - rejection: already asked/answered	IGVC chapter 2.3	x-cutting	JV and associates - share of information / value chain	What share of information shall be reported from joint arrangements and associates when they are included in a reporting undertaking's reporting boundary and how shall this share be calculated?	ESRS 1, paragraph 67; ESRs E1 paragraph 46	(also see ID 211 - related question), in rejection please note that JA and associates are not in the reporting boundary as the reporting entity is the group which is the parent and subs.	Chemicals	User	Switzerland
213	5d - rejection: already asked/answered	IGVC chapter 2.3	x-cutting	JV and associates - share of information / value chain	How is materiality to be considered by a reporting undertaking when determining whether to include joint arrangements and associates in its reporting boundary?	ESRS 1, section 5.1	please refer to chapter 2.3 of VCIG. Only in reporting boundary (for some E standards) if ops control. Otherwise NOT, but may be part of VC	Chemicals	User	Switzerland