

Batch of categorisations to be approved by SRB meeting 16.07.2024

Mailing from ESRS Q&A Platform to Sustainability Reporting Board

Cut-off date for questions processed by secretariat: **09/07/2024** Mailing for: **SR Board** Mailing type: **a: cat. to be sent to SRB**

Re- sponse ID	Category of question: * explanation * Imp.G * Amendment * out of scope * Rejection (secretariat proposal)	bundling of related questions (only applicable for implementation guidance and 5c already asked)	Allocatio n 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
952 1 - explanation question		n/a	x-cutting	Decimals for metrics; materiality of information	To how many decimals should a percentage be rounded? And for other data points that ask for "decimal", how many decimals are expected?	S1-16	Explain that this must be decided on a case-by-case basis and depending on the metric whether rounding may make sense. In this particular case of S1- 16, the rounding could make sense and no decimals would be needed. Mention that materiality of information (ESRS 1 para 34) could require not to disclose immaterial information (i.e. number of decimals for percentage and precision of other metrics) as too much decimals might be immaterial information	Not applicable	Other	Netherlands
968 1 - explanation question		n/a	x-cutting	external validation of metric by 3rd party	If a company's metric is verified by an Ecolabel, can the Ecolabel be mentioned as an external body	ESRS 2 paragraph 77 (b)	Explain based on text of ESRS 2: ESRS 2 para 77 (b) reads "disclose whether the measurement of the metric is validated by an external body other than the assurance provider and, if so, which body". It is obvious that an Ecolabel is "a third party other than the assurance provider" and therefore should be disclosed according to ESRS 2 para 77 (b).	Not applicable	Non- Governmental Organisation	Finland
1011 1 - explanation question		n/a	x-cutting	SBM-1 chemicals production	for DP ESRS 2 SBM-1_16 : Do you confirm that revenue from chemicals is related solely to Division 20.2 of Annex I to Regulation (EC) No 1893/2006 (i.e., only pesticides and agrichemicals), or should the undertaking disclose revenue from all its chemical activities? If the latter, it should rather refer to Division 20 of Annex I to Regulation (EC) No 1893/2006.	ESRS 2 SBM-1_16 ; ESRS 2, §40, d, ii	explain that the SFDR datapoint codified in ESRS 2 40 (d) (iii) is only on the chemicals falling under Division 20.2 of Annex I to Regulation (EC) No 1893/2006 as stated in the paragraph - as this is considered a widespread question	Not applicable	User	France

1013 1 - explanation question	n/a	x-cutting	variable remuneration potential discrepancy between ESRS 2 and ESRS E1	in E1.GOV-3_02 requirement, could you please precise whether the required % of current remuneration related to sustainability shall be calculated : (i) as a % of variable remuneration, (ii) as a % of fixed remuneration, (iii) as a % of total remuneration (fixed + variable)	ESRS 2 para 29 (b) and ESRS E1 para 13	Explain that: ESRS 2 para 29 (d) is on percentage of variable consideration dependent on sustainability-related targets and or impacts vs ESRS E1 para 13 percentage of remuneration recognised in the current period that is linked to climate related consideration and that this requirement has been stipulated by intention	Not applicable	User	France
1014 3 - amendment	n/a	XBRL	XBRL taxonomy - IG3	Could you please explain the expectation from the AR 5, referenced to DP E1-1_09 / E1-1_10 / E1-1_11 ?	E1-1_09 / E1-1_10 / E1-1_11	Editorial change to IG 3 XBRL datapoints needed as XBRL has the wrong reference between a paragraph of ESRS E1 and an AR [need to discuss with SRB how to handle regular maintenance of IG 1 - 3 and digital taxonomy; also need to consider other types of changes (e.g. more fundamental changes) and changes due to interoperability or underlying EU datapoints; Q+A answers]	Not applicable	Preparer	France
946 4 - out-of-scope of EFRAG	n/a	Other	Art 8 EU Taxonomy Regulation	For many companies, the EU Taxonomy is completely new. What shall companies do if they cannot disclose information pursuant to Article 8 of Regulation (EU) 2020/852 (the EU Taxonomy) because they have not collected the appropriate information?	ESRS 1 paragraph 113	Question is on Art 8 EU Taxonomy regulation not on ESRS, as the relevant reporting obligation stems from the Taxonomy regulation and ESRS only require to include the Taxonomy information when it is produced under the relevant regulation.	Construction and Engineering	Other	United States of America
954 4 - out-of-scope of EFRAG	n/a	Other	Publication of management report	Where or to whom do we, if at all, submit our ESRS reports? Where do we publish the report and in what form (i.e. PDF)	not specified	Publication requirements are in the Accounting Directive.	Education	Academia	Bosnia and Herzegovina
972 4 - out-of-scope of EFRAG	n/a	x-cutting	No management report to be prepared	if a company doesn't have a management report, where I have to publish my sustainability report?	i don't know	Question related to Accounting Directive / CSRD. Art 19a and 29a of the Accounting Directive give additional guidance on the content of large undertaking's / group's management report, i.e. the obligation to include a sustainability statement in accordance with ESRS. Accordingly, if companies (for whatever reason) appropriately do not have to prepare a management report they do not consider the requirements of Art 19a and 29a.	Oil and Gas	Other	Italy
976 4 - out-of-scope of EFRAG	n/a	x-cutting	CSR requirement when fiscal year different from calender year	when do large enterprises, whose fiscal year begins on October 1, are obligated?	ESRS 1 paragraph 6.1	Reporting requirements is a matter of the Accounting Directive / CSRD not ESRS based on the date of the financial statements / management report. ESRS 1 para 73 is clear: "The reporting period for undertaking's sustainability statement shall be consistent with that of its financial statements."	Not applicable	Industry Group	Italy

977 4 - out-of-scope of EFRAG	n/a	x-cutting	CSRD requirement to prepare sustainability statement	if a subsidiary company is a large corporation, and therefore theoretically subject to the obligation, does it still have to prepare sustainability financial statements on an individual basis or is the consolidated sufficient?	ESRS 1, paragraph 7.6	Individual / consolidated sustainability reporting requirement for subsidiaries is stipulated in the Accounting Directive / CSRD not ESRS. Undertakings / parent undertakings can be exempted based on Art 19a (9) / Art 29 (8) of the Accounting Directive ("subsidiary exemption")	Not applicable	Industry Group	Italy
1001 4 - out-of-scope of EFRAG	n/a	XBRL	XBRL taxonomy	With the requirement to digitally tag sustainability reports, are companies required to submit a single XBRL tagged report for both public disclosure and EU submission under the ESRS regulations, or are two separate reports required? If two separate reports are required, does the public disclosure report need to be identical to the report submitted to the MDR-A_08 has no reference to a DR paragraph. Should not it be called with MDR-A_09 / MDR-A_10 / MDR-A_11 / MDR-A_12	ESRS 1 Section 8 Paragraph 110	Not on ESRS; it is our understanding that requirements regarding XBRL (timing, form of report etc) still need to be drafted	Professional Services	Preparer	South Africa
1012 4 - out-of-scope of EFRAG	n/a	x-cutting	XBRL taxonomy	MDR-A_08 has no reference to a DR paragraph. Should not it be called with MDR-A_09 / MDR-A_10 / MDR-A_11 / MDR-A_12	MDR-A_08	"out-of-scope" as Q&A covers only the delegated act for the moment. Concern raised (whether the reference in XBRL to a paragraph in the main text of ESRS 2 is more appropriate than the reference to ESRS 2 AR 23) is also not of mayor importance; also it is considered more appropriate to have the reference to AR 23;	Not applicable	User	France
959 5a -rejection: non-conclusive	n/a	x-cutting	Specific fact pattern: Subsidiary without operational control?	Subsidiary without operational control Additional information provided in background: "We are working with a client who by law needs to consolidate a company financially but otherwise has zero operational control, influence or any say in this subsidiary. The parent company in this case is an investment	ESRS 1 5.1	EFRAG cannot and should not step into an auditor's role, answer a detailed company specific fact pattern. By nature a company specific fact pattern is expected to be non-wide spread. The details of the fact and circumstances are not available. Therefore, it is considered both non-conclusive, non-widespread See also ID 787 Are there precise criterias on how companies should consolidate? Is it financial or operational consolidation?	Not applicable	Industry Group	Slovenia
967 5a -rejection: non-conclusive	n/a	x-cutting	external validation of metric by 3rd party	How can ISO-based ecolabels be used in ESRS-based reporting (doesnt need to be ESRS 2 but generally)	Non applicable	Not clear what the question is targetting at. Practise needs to develop where ecolabels in ESRS reports are mentioned according to ESRS requirements beyond ESRS 2 para 77 (b) see ID 968.	Not applicable	Non-Governmental Organisation	Finland
990 5a -rejection: non-conclusive	n/a	x-cutting	CSRD disclosure requirements	what are the exact requirements regarding disclosure of the CSRD report? [text of the background section of the question:] Dear EFRAG, The question is: what are the exact requirements regarding disclosure of the CSRD report? The case here is to advise a client about in what	ALL	Question is not clear and also considered to be related to the Accounting Directive / CSRD; therefore, also "out-of-scope".	Professional Services	Other	Netherlands

955 5b - rejection: non-widespread	n/a	x-cutting	phase-in disclosures	For E1-9 there is not clear what the exact phasing in requirement is. In the first sentence its stating that you can omit ALL disclosure requirements in E1-9. In the second sentence it says that you can omit numeric data in the first 3 years, but there is the need to disclose the narrative data. Do we need to report something in the first year at all, or only when reporting against the ESRS topic standards E1-E5, is it mandatory to report against the IRO-1 disclosure requirements under each of those ESRS' regardless if they are material or not?	ESRS 1 App C Phased in DR	The text of ESRS 1 Appendix C is considered sufficiently clear and not open to different interpretations / diversity in practise: "The undertaking may omit the information prescribed by ESRS E1-9 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E1-9 by reporting only qualitative disclosures for the first 3 years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures."	Construction and Engineering	User	Finland
934 5d - rejection: already asked/answered	ESRS 1 paragraph 29	x-cutting	IRO-1 related disclosures in topical standards; always to be reported?	When reporting against the ESRS topic standards E1-E5, is it mandatory to report against the IRO-1 disclosure requirements under each of those ESRS' regardless if they are material or not?	ESRS 2, para 2, a and b	put it another way: "In the first year you can either omit or limit it to Though not explicitly answered through an explanation or in IG 1, ESRS 1 para 29 is sufficiently clear so that an explanation is considered superfluous: ESRS 1 para 29: "Irrespective of the outcome of its materiality assessment, the undertaking shall always disclose the information required by: ESRS 2 General Disclosures (i.e. all the Disclosure Requirements and data points specified in ESRS 2) and the Disclosure Requirements (including their datapoints) in topical ESRS related to the Disclosure Requirement IRO-1 ID 166: In case an undertaking acquires / (divests from) one or more of its subsidiaries how should he undertaking report on them in the year of acquisition ((divestment)?"	Not applicable	Preparer	United Kingdom
939 5d - rejection: already asked/answered	ID 166	x-cutting	scope of consolidation - timing of acquisitions, divestment of subsidiaries	Shall the parent undertaking consolidate data from a spined off subsidiary controlled until before of the reporting period?	ESRS 1	FAQ 23 Are remediation and mitigation actions considered in the materiality assessment of environmental impacts?	Machinery and Equipment	Preparer	Norway
985 5d - rejection: already asked/answered	IG 1 MA FAQ 23	x-cutting	Remediation and mitigation	Should impacts be assessed and disclosed pre or post mitigation?	All	FAQ 23 Are remediation and mitigation actions considered in the materiality assessment of environmental impacts?	Information Technology	Other	Ireland
1004 5d - rejection: already asked/answered	IG 1 - FAQ 23 ; see also ID 515 on impact materiality; ID 790 + 791	x-cutting	inherent or residual risks; before or after mitigation activities	for double materiality, please clarify gross and net ? analyse or evaluation ?	ERS1 chap 3 double materiality	ID 590 is: Should mitigation measures already in place be taken into consideration while doing the financial materiality assessment? Classified as as IG to be answered in due course; also ID 591 which is more specific to environment	Agriculture, Farming and Fishing	Preparer	France
958 5e - rejection: on standards not yet Delegated Acts	n/a	x-cutting	Materiality Guideline Document 2022	Could Guideline 8 (page 13) from [Draft] European Sustainability Reporting Guidelines 1 Double materiality conceptual guidelines for standard-setting (January 2022) be used as general guidance for the impacts assessment?	ESRS 1 3.4	The question relates to a paper written by a group of experts during EFRAG project task force times, never approved by the plenary of the EFRAG project task force. It will never become a delegated act, is not part of ESRS and has been superseded by ESRS / IG 1.	Professional Services	Preparer	Spain