

**Batch of categorisations to be approved by SR TEG meeting 20.06.2024**

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

Cut-off date for questions processed by secretariat: **12/06/2024** Mailing for: **SR TEG** Mailing type: **category to be sent to SR TEG**

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
196 2a - implementation guidance (new)		ID 525	Environm ent	Water storage	Can the water storage metrics reporting align with the ICMM's definition of water storage as "a purpose-built structure designed to collect or hold operational water, such as tanks, dams, reservoirs, and disused pits, including water from natural rainfall, runoff, seepage, or intentionally stored for treatment, discharge, or further use in production," given that there is no specific definition for water storage in the ESRS standards?	ESRS E3 - DP28	This will require implementation guidance or, alternatively, may be covered by the development of sector standards. A definition of water storage can be explored and it will have implications for multiple sectors. Propose to do it through IG which can then be subject to public feedback and then incorporated in sector standards, when needed.	Mining, Quarrying and Coal	Industry Group	France
297 4 - out-of-scope of EFRAG		n/a	x-cutting	data from the value chain	How do undertakings get scope 3 emissions directly from SMEs for their products if their request to SMEs will be capped to scope 1 and 2? (according to the new LSME Standards)?	ESRS E1, general question	This question is not about ESRS Set 1 but on VSME and LSME so it is out of scope until LSME is enacted as Delegated Act.	Information Technology	Preparer	Belgium
347 5b - rejection: non- widespread		n/a	Social	Indirect Products and Services within scope of ESRS S2	According to Annex II ACRONYMS AND GLOSSARY OF TERMS, an actor in the upstream value chain is linked to the products and services produced by the undertaking. Are suppliers of indirect material and services not in scope for ESRS S2?	ESRS S2-1	The glossary defines "supplier" as: "Entity upstream from the organisation (i.e., in the organisation's supply chain), which provides a product or service that is used in the development of the organisation's own products or services. A supplier can have a direct business relationship with the organisation (often referred to as a first-tier supplier) or an indirect business relationship." It is unclear what "indirect material and services" are (no definition provided in ESRS).	Agriculture, Farming and Fishing	User	Sweden
457 5a -rejection: non- conclusive		n/a	Social	Channels for value chain workers to raise concerns	Is it enough to have different available channels and communicate them to the suppliers in different ways (e.g. via Supplier Code of Conduct, hotline, contracts, etc.)? Does it fulfill the requirement?	ESRS S2 paragraph 28, AR 26, AR 27	ESRS do not mandate behaviour. Channels to raise concerns can include (ESRS S2 paragraph AR22) grievance mechanisms, hotlines, trade unions, dialogue processes or other means through which value chain workers or their legitimate representatives can raise concerns. To ensure that value chain workers are aware and trust these channels, the undertaking may provide relevant and reliable data about their effectiveness; examples of sources of information are surveys of workers and their levels of satisfaction with the process and outcomes (ESRS S2 paragraph AR 26)	Chemicals	Preparer	Germany

458 5a -rejection: non-conclusive	n/a	Social	Engagement value chain workers	Is it sufficient to engage with value chain workers on a case-by-case basis decision or more general via working groups, initiatives, frameworks?	ESRS S2 paragraph 20, 22, AR 18	ESRS do not mandate behaviour; ESRS S2-2 requires information on the undertaking's general processes for engaging with value chain workers and their representatives. ESRS S2 paragraph AR18 provides examples of the type of engagement (which could be participation, consultation and/or information).	Chemicals	Preparer	Germany
525 2a - implementation guidance (new)	ID 196	Environment	Water storage definition	Can you provide a more detailed explanation on how the "water storage" is to be interpreted in the context of the DR E-4 28d ? Which type of water storage does it cover? How should it be integrated in the water balance of a site?	ESRS 3 DR E3-4 paragraph 28d	On water storage we have ID 196 and this (525) asking more detailed guidance on water storage specifically for companies. We propose to write IG that is subject to public feedback to advance a definition of water storage that can be used as a reference starting point by companies.	Power Production and Energy Utilities	Preparer	France
698 1 - explanation question	n/a	Environment	Database for GHG emissions	Is it allowed to use OEKOBAUDAT data after EN 15804 to report GHG emissions within the ESRS? Within ESRS, the Commission Recommendation (EU) 2021/2279 is allowed to use and indicates the use of EF v3.1 impact categories. On the website <a href="https://eplca.jrc.ec.europa.eu/LCDN/EN15804.html">https://eplca.jrc.ec.europa.eu/LCDN/EN15804.html</a> it seems like EF v3.1 impact categories and EN 15804 impact categories are harmonised. Does this mean that these 2 impact categories can be used? Can they be summed up when reporting after (EU) 2021/2279?	ESRS E1 Scope 3 emissions	The undertaking shall consider the GHG Protocol Corporate Standard (version 2004) [and] may consider Commission Recommendation (EU) 2021/2279 or [...] EN ISO 14064-1:2018. Neither the GHG Protocol Corporate Standard, the EN ISO 14064-1 or EN 15804 have specific norms on the adequacy of emission factors to specific uses within an inventory calculation. The judgement of the adequacy of any emission factor - or database - to specific calculations are usually assessed through good professional practice and professional judgment.	Professional Services	Other	Germany
800 1 - explanation question	n/a	Governance	number and nature of corruption and bribery	Do you need to disclose the total number of incidents of corruption, and the total number of incidents of bribery? OR, is there some additional data needed around "nature" of each of those types?	G1-4 paragraph 25	Explain that ESRS G1-4 paragraph 25 is not mandatory but a 'may' disclosure and applies to both (i) the total number and (ii) the nature of confirmed incidents; the relation between corruption and bribery; and what is meant by 'nature of incidents'	Not applicable	Other	United Kingdom
804 1 - explanation question	ID 285 and 172	x-cutting	Asset managers; investment entities; scope of sustainability statements	Is an entity that qualifies as an Investment Entity as per IFRS 10 required to prepare a sustainability statement with the same consolidation scope as the financial statements?	ESRS E1 paragraph 62	whether an investment entity in accordance with IFRS 10 must prepare sustainability statements is out-of scope of ESRS; however: an explanation could be given if it has to prepare a sustainability statement the same consolidation scope as per the financial statements applies, i.e. investments will not be consolidated but be shown as such AND the investments at FV are sources of IROs to report if material	Capital Markets	Preparer	Luxembourg
816 1 - explanation question	n/a	Environment	Target year and interim target year	Are target year and interim target years compulsory, both?, what happens if there are no interim target years?	ESRS E5-5 Disclosure Requirement E1-4; 34(a) and AR23	ESRS E1 paragraph 23 states that 'In cases where the undertaking has only set a GHG intensity reduction target, it shall nevertheless disclose the associated absolute values for the target year and interim target year(s). This may result in a situation where an undertaking is required to disclose an increase of absolute GHG emissions for the target year and interim target year(s), for example because it anticipates organic growth of its business.' As stated in the text, the undertaking might be required to disclose it.	Information Technology	Industry Group	Germany

870 1 - explanation question	n/a	x-cutting	Materiality threshold for group company	Is it technically possible to identify consolidated issues and establish a "consolidated" materiality matrix for a group comprising several companies operating in various sectors of activity by averaging the issues?	ESRS G1 Guideline 5 - Paragraph 52	Explanation can reference IG1 on MA and also clarify that establishing a materiality threshold for the group does not mean that the same threshold applies to all the companies in the group.	Capital Markets	Non-Governmental Organisation	Tunisia
906 1 - explanation question	n/a	x-cutting	Structure of sustainability statement - Appendix/Annex	Is there a possibility to implement an "Appendix" as another part of the Sustainability Statement (mainly for the Content Index, EU Datapoint Table etc.)?	ESRS 1 8.2	explain that sustainability statement consists of 4 parts and the content of those parts is stipulated in ESRS 1 chapter 8.2; qualitative characteristics of information are applicable; one option would be to have content index and EU datapoints at the end of the general part; another option to split the general part in two sections and having one at the end of the sustainability statement to increase the quality of information	Professional Services	Preparer	Germany
910 1 - explanation question	n/a	x-cutting	transitional provisions value chain; scope 3 GHG emissions	Can the transitional provision in "ESRS 1 paragraph 132-135" be applied to the reporting of Scope 3 emissions in "ESRS E1 paragraph 19 c)"?	ESRS 1 paragraph 132-135 + ESRS 1 Annex C + ESRS E1 19 c)	explain that chapter 10.2 transitional provisions on value chain are subject to conditions; one being that "when disclosing metrics the undertaking is not required to include upstream and downstream value chain information, EXCEPT for datapoints derived from other EU legislation, as listed in ESRS 2 Appendix B (ESRS 1 para 133 (b)); datapoint ESRS E1-6 on Scope 3 is an EU datapoint (see ESRS 2 Appendix B) also mention 750 employee exemption for 1st year reporters	Not applicable	User	Germany
920 5d - rejection: already asked/answered	ID 296	x-cutting	ESRS 2 related Disclosure Requirements in topical standards	Question is around applying ESRS 2 in the topical standards ESG. ESRS 2 is describing the disclosure requirements of the reporting areas GOV, SBM and IRO. These reporting areas are again to be reported in the topical specific standards. The question is whether it is required to report the "general", overall company related reporting areas in ESRS	ESRS 2 - GOV1-5, SBM 1-3, IRO1-2	ID 296 is asking the same: Do the ESRS 2 related Disclosure Requirements in topical standards have to reported in the general section of the sustainability statement or in the respective topical section?	Metal Processing	User	Austria
921 4 - out-of-scope of EFRAG	n/a	x-cutting	scope of CSRD	Is a VAT group considered to be part of the first batch of companies to be required to report from 2025 ?	ESRS 1-6.1	Question is on applicability of CSRD not on ESRS	Insurance	Other	France
923 1 - explanation question	n/a	x-cutting	phase-in entity specific disclosures	in case of entity-specific disclosure, do Companies need to include entity-specific disclosures for the first three years of reporting?	phase in provision in chapter 10.1 in ESRS 1	ESRS 1 para 11 states that entity-specific disclosures must be provided; ESRS 1 chapter 10.1 (para 131) only gives 3 year transitional provisions as a priority from what these entity specific disclosures may be derived.  ESRS para 131 does not give a phase-in for entity provisions itself.	Media and Communication	Industry Group	Germany

927 4 - out-of-scope of EFRAG n/a

x-cutting scope of CSR - Are public institutions also subject to the CSR and related ESRS? / public institutions

question relates to CSR scope (Accounting Directive) and is therefore out-of scope of ESRS

Not applicable Other

Luxembourg