

ESRS Set 1 revision: Questionnaire for public feedback

1.

Following a public call for contributions from EFRAG, this survey has been prepared by the EFRAG Secretariat to support the collection of written input that will inform the revision of ESRS Set 1.

The contributions will be anonymized and leveraged only in aggregate form, however name of contributors will be made available following your consent.

For viewing purposes, a pdf version of the questionnaire is available [here](#).

Questionnaire for public input on simplification of ESRS

EFRAG wishes to collect input from all the stakeholder categories on how to simplify ESRS, following the [Omnibus proposals](#) issued by the European Commission on 26 February 2025 and the [mandate](#) that EFRAG received on 27 March 2025.

SECTION 1 – PARTICIPANT GENERAL INFORMATION

1.1 Guidance for respondents

Where not specifically indicated, EFRAG welcomes input on question from all stakeholder categories.

Comments are most helpful when they:

- answer questions as stated;
- state the DR or paragraph(s) of ESRS Set 1 to which they relate;
- explained the cause of the identified issue; and
- describe practical example(s) relevant to the questions;
- include clear suggestions of amendments, if appropriate.

Please note the following elements for the compilation of the questionnaire:

Respondents can save the draft questionnaire and return to it at a later time. EFRAG will only consider submitted surveys.

Respondents can select and focus on the areas that are most impactful, thus do not have to consider all questions

For the questions requiring inclusion of a reference to IG3, and for consistency among the different replies, please indicate specific DPs that require consideration in your view by copy pasting the code defined in [IG3 – List of ESRS Data Points](#) (see column ID).

1.2 Respondent profile

Where not specifically indicated, questions refer to all stakeholder categories.

First Name:

Taina

Last Name:

Wilhelms

Email address:

taina.wilhelms@energia.fi

Telephone number:

Name of organisation:

Finnish Energy

Do you consent to make publicly available only the name of your organisation as contributor to this questionnaire, while the content of your contribution will be anonymized and leveraged only in aggregate form?

Yes

Type of organisation (Drop down menu with the following categories):

Business Association

User (subcategories to open):

Other (please specify)

Function in the organisation:

Senior advisor

Country (principal location):

Finland

Sector(s) (if applicable)

Energy

If preparer, please specify whether you prepared an ESRS sustainability statement for your 2024 year end:

If yes

Please specify whether it was a voluntary or mandatory application

Please indicate if the ESRS sustainability statement was assured (limited/reasonable)

Please add an hyperlink to the report [add box for including hyperlink]

If preparer, please specify your size in terms of employee number:

2. (untitled)

SECTION 2 – GENERAL ASSESSMENT (OPTIONAL)

As preparer/user/other stakeholder, could you share your overall assessment about the implementation challenges and benefits that you have experienced or observed?

We support the reduction and simplification of regulation and reporting obligations, as well as increasing flexibility and voluntary measures. It is good that the extensive and highly detailed ESR standards will be reviewed, and reporting requirements will be reduced in the future. Many immaterial data points (both qualitative and quantitative) and repetitions of many of those under each standard have caused extra burden and unclarity for companies and even mature sustainability reporters have faced challenges to meet disclosure requirements. However, the review of ESR standards must be transparent, and companies must be given sufficient time to assess the impact of changes and provide feedback. Companies must also be given sufficient time to understand and implement the new requirements.

3. (untitled)

SECTION 3 – QUESTIONS

1. PART 1 – HOW TO IMPROVE THE MATERIALITY ASSESSMENT

The Materiality Assessment process is critical to establish the perimeter of the sustainability statement and pivotal to ensure that undertakings only report material information, that they do not report unnecessary information nor dedicate excessive resources to the materiality assessment process.

Initial feedback seems to suggest that required disclosures on the process may be too detailed and the outcome of the process may lead to disclose too many/too detailed IROs. The Omnibus proposals have identified this area as to be clarified.

1.1. From your perspective (preparer/user/others), please share your suggestions on how to improve the ESRS provisions on materiality indicating the most critical and the most useful elements, in relation to

How to improve the ESRS provisions on materiality, in relation to:

- the value chain

Please detail ESRS provisions on materiality improvements:

The double materiality assessment and the Article 8 impact assessment should be aligned between the CSRD and the CSDDD, for example when it comes to the definition of the value chain and the process for assessing impacts.

1.2. OPTIONAL: If possible, and if not specified already under point 1.1 above, please identify the narrative disclosure requirements (DRs) or datapoints (DPs) that raised the most critical challenges in determining the material information to be reported and share your suggestions.

Disclosure requirements (DR)

Datapoints (DP)

Comment on challenge:

Suggestion:

4. (untitled)

PART 2: HOW TO STREAMLINE NARRATIVE INFORMATION

Narrative information is a key part of sustainability reporting, in particular with respect to governance, strategy, business model, as well as policies, actions and targets (PATs). It is a key factor to meet the quality characteristics of relevance of information and fair presentation^[LS1] of the situation of the undertaking with respect to its sustainability matters. However, narrative information is difficult to compare. In determining the content of narrative information to be reported per disclosure requirements, ESRS combine a principles-based disclosure objective with a list of “shall” datapoints.

Initial feedback seems to suggest that the “shall disclose” datapoints in ESRS Set 1 may be too detailed and too prescriptive in that regard and that a proper balance between relevance/fair presentation, comparability and preparation effort has been difficult to achieve. The Omnibus proposals suggest to consider this point carefully for burden reduction purposes.

2.1. From your perspective (preparer/user/other), please share your suggestions on how to simplify narrative information, in relation to:

The options to reduce the number of “shall” datapoints (DPs):

Other – please specify.

Suggestions:

Currently, narrative information is required at the IRO level, which is often impractical and results in overly lengthy disclosures. We propose allowing companies to report narrative information at an aggregated level instead. Additionally, certain ESRS 2 disclosures (e.g., GOV-1, SBM-3, IRO-1) are supplemented by related requirements in topical standards, creating a fragmented structure. This can be confusing, as it is not always clear whether specific information should be reported under ESRS 2 or the relevant topical standard. We recommend clarifying and streamlining this structure to make it more user-friendly and reduce the need to check multiple locations.

The potential overlaps between minimum disclosures requirements (MDRs) on Policies Actions and Targets (PATs) that are located in ESRS 2 and PAT “shall” datapoints located in topical standards:

Please select:

Other – please specify

Comments

The MDR disclosure requirements under ESRS 2 are too burdensome and detailed and lead to a lot of repetition when they need to be applied always when describing the policies, actions, metrics and targets under each topical disclosure. Additionally, the division of these requirements across multiple locations in the standard is not user-friendly.

We recommend that the MDR disclosure requirements be removed, or secondarily, significantly shortened, as they do not provide substantial additional value. These reporting requirements should be also changed so that a company could describe at least its relevant policies in one place under ESRS 2.

Forward-looking information

On the other hand, please indicate the most critical and the most useful elements to be retained

2.2. OPTIONAL – If possible, and if not specified already under point 2.1 Please identify the most critical narrative disclosure requirements and/or datapoints that require clarification, and share your suggestions

Please organise your comments and suggestions according to the sequence of the standards (cross-cutting, E topical, S topical, G topical:

Disclosure requirements (DR)

Datapoints (DP)

Comment:

Suggestions:

2.3. OPTIONAL If possible, and if not specified already under point 2.1 above, please beyond the need for clarification, identify the 10 most challenging narrative disclosure requirements (DRs) with an indication of the least important or most problematic datapoints (DPs) to prepare and share your suggestions:

Please organise your comments and suggestions according to the sequence of the standards (cross-cutting, E topical, S topical, G topical:

Disclosure requirements (DR)

Datapoints (DP)

Comment on the challenge:

Suggestions:

5. (untitled)

PART 3: HOW TO IMPROVE QUANTITATIVE INFORMATION AND EU REGULATION RELATED INFORMATION

Quantitative information (metrics) is in principle comparable (over time and between undertakings). Initial feedback seems to suggest that some required metrics may be too granular and/or not decision useful or may be difficult to prepare (due to difficulty to collect basic data or lack of maturity of the matter).

Furthermore, EU Regulations related information (SFDR, Climate Law, Pillar 3, Benchmark) was included in ESRS Set 1 to facilitate the appropriate flows of information between the various actors, in order to create consistency in reporting. In this context, its relevance with respect to general purpose sustainability reporting was not assessed by EFRAG. Initial feedback seems to suggest that certain datapoints may not meet the criteria to be included in the general-purpose sustainability reporting.

In addition, with respect to Article 8 of the Environmental Taxonomy Regulation 2020/852, it was decided to offer a placeholder in the sustainability statement for the information required under this regulation. In this context, its relevance with respect to general purpose sustainability reporting was not assessed by EFRAG. Initial feedback seems to suggest that this information has increased significantly the volume of information reported in the sustainability statement.

3.1. Please identify the most challenging quantitative DRs/DPs and share your suggestion on how to address the issue, in terms of:

- The relevance (least important, critical)
- The difficulty to prepare
- The need for clarification

Please organise your comments and suggestions according to the sequence of the standards (cross-cutting, E topical, S topical, G topical):

Disclosure requirements (DR)

E1 – 9

Datapoints (DP)

Comment on the challenge:

Information on the anticipated financial effects and likelihoods of material risks and opportunities relies heavily on forward-looking assumptions and significant estimates, which presents practical challenges. These challenges concern several DRs.

Suggestion:

Disclosing anticipated financial effects and likelihoods of material risks and opportunities relies heavily on forward-looking information and significant estimates. We propose that such disclosures should not be mandatory. Instead of requiring detailed quantitative estimates, we recommend using a simplified approach, such as categorizing likelihoods as "low," "medium," or "high." These suggestions apply to all relevant Disclosure Requirements. As many of these requirements fall under the phased-in disclosures, most first-wave companies have not yet reported this information - making these adjustments an effective way to ease the reporting burden.

Disclosure requirements (DR)

E5 – 4

Datapoints (DP)

Comment on the challenge:

Some companies have interpreted the reporting requirements to include fuels used in energy production, as well as materials used for plant or building construction (i.e. new investments). This interpretation may result in overly burdensome reporting and significant year-to-year variability depending on the scale and timing of investments.

Suggestion:

Resource inflows should be specified so that it only covers raw materials which are used in the production of products.

3.2. Do you have suggestions regarding EU regulation related datapoints (DPs)?

The table on datapoints that derive from other EU legislation (IRO-2) could be simplified as it requires a lot of manual work to fill it in. Also, there are some errors in the table that should be corrected.

3.3. Do you have suggestions regarding Article 8 of the Environmental Taxonomy Regulation 2020/852 related information and its inclusion in the sustainability statement under a placeholder approach?

Flexibility in the placement of EU Taxonomy disclosures should be granted to companies to accommodate different reporting structures.

6. (untitled)

PART 4: HOW TO ADDRESS THE SIMPLIFICATION OF THE STANDARDS (STRUCTURE AND PRESENTATION) AND THE NEED FOR INTEROPERABILITY

Initial feedback seems to suggest that the current structure and presentation of reporting requirements in the standards may be difficult to understand and use and may have contributed to the inclusion of repetitive and duplicated content within the sustainability statement.

In addition, to avoid unnecessary regulatory fragmentation that could have negative consequences for undertakings operating globally, ESRS Set 1 has been drafted with the objective to contribute to the process of convergence of sustainability reporting standards at global level. The Omnibus proposals suggest to further enhance the already very high degree of interoperability with global sustainability reporting standards.

5.1. Please share your suggestions on how to improve and simplify the current structure and presentation of the standards, in relation to:

Please select:

The relationship between cross-cutting and topical standards

Suggestions:

At the moment, the general and topical standard have overlapping disclosure requirements. All overlapping requirements should be removed.

Please select:

The relationship between the main body of the standards and the application requirements

Suggestions:

The current structure, where application requirements are listed separately, is not optimal because users must read requirements in multiple locations. Additionally, the "shall" and "may" requirements are mixed together. To make it easier for preparers to apply the requirements, we propose that all reporting requirements related to a disclosure be presented in one place, with mandatory ("shall") and voluntary ("may") requirements listed separately.

5.2. Regarding interoperability, please:

If you are a preparer, indicate if you are reporting under another framework and which one:

If you are not reporting under another framework, indicate if you intend to do so and use which one:

Please share any suggestion you may have to enhance the already high level of interoperability of ESRS with other frameworks (ISSB, GRI, TCFD, TNFD, CDP). Please indicate DR/DPs if relevant.

If you are a user/other type of stakeholder.

Share your views on the importance and usefulness of interoperability from your perspective:

7. (untitled)

PART 6 – ANY OTHER COMMENT OR SUGGESTION

For instance, among others, in relation to format and presentation of the sustainability statement and its relationship with other parts of the management report, the communication of the company, the reporting boundaries, etc.

We question the necessity of mandatory XBRL/digital reporting altogether. Instead of imposing such a requirement, we suggest exploring the potential of AI-driven solutions for collecting the required data. Eliminating mandatory digital reporting would significantly reduce the administrative burden on companies and simplify reporting processes, thus being aligned with the Commission's competitiveness objectives and the Omnibus initiative.

Materiality thinking should be possible in CSRD reporting. Within a material ESRS issue, there should be a possibility to leave out information, including data that isn't material. Companies should be allowed more freedom in deciding which disclosures are material. Disclosure table formats should not be mandatory, rather companies should be allowed to present the required information in the most suitable format for them. Mandatory reference tables (material disclosure requirements, data points required by EU law) should not be mandatory to be in the sustainability statement section, e.g. consider allowing them to be placed at the end of the annual report.

The interdependencies with other legislation (e.g., CSDDD, Forced Labour Regulation, Deforestation Regulation, Battery Regulation) should be carefully examined, and due diligence reporting requirements across different legislations should be harmonized. Each of these regulations contains reporting requirements as part of their due diligence processes. However, it remains unclear whether all of them should or can be addressed through CSRD due diligence disclosures, and which data points are relevant. Moreover, practical implementation is difficult if the regulations differ in scope or define the value chain inconsistently. Clarifying these aspects would promote consistency and facilitate reporting.

Alignment within different limited assurance providers still needs improvement. Auditors currently lack resources and training for assessment of sustainability information and different accounting companies have different interpretations and approaches for the audit process. We support maintaining the assurance level at limited assurance and welcome potential Commission guidance to clarify the assurance process. The Commission should issue its assurance guidelines as soon as possible, which should address the risk of over-compliance due to the auditor's requests to ensure a harmonized interpretation and application of assurance on sustainability reporting across Europe.

The current approach to defining and reporting value chain information is unnecessarily complicated. For example, the treatment of co-owned companies remains difficult to interpret, and despite the EFRAG IG 2 Value Chain guidance, key issues - such as how to handle Mankala companies typical in the Nordics - are still unresolved. The value chain reporting rules also diverge from those used in financial reporting, and inconsistencies exist across different datapoints in the standard. We recommend simplifying the value chain definitions, aligning them more closely with financial reporting practices, and limiting value chain reporting to only the most essential datapoints.

The review process must be transparent by early engaging in stakeholder dialogue, conducting an impact assessment, and publishing a clear timeline as early as possible. This is important as companies require sufficient time to assess the impact of changes and provide feedback. Companies must also be given sufficient time to understand and implement the new requirements. The review must assess whether each disclosure requirement or data point effectively supports the goal of a sustainable transition and whether the reporting requirements for companies are proportionate to that goal. It is essential to find a balanced approach that both streamlines requirements and ensures that reporting obligations are proportionate to the size of the company, while also securing sufficient access to the necessary information for companies required to report.

8. Thank You!

Thank you for taking our survey. Your response is very important to us.

You will receive a copy of your submitted questionnaire in your email.

The EFRAG Secretariat will anonymise contributions and leverage them only in aggregate form.