

COVER NOTE FOR PUBLIC CONSULTATION

---

# DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

April 2022



Open for comments until 8 August 2022

**PTF-ESRS**

Project Task Force on European sustainability reporting standards

 **EFRAG**

# Contents

- Part I – The context and the process ..... 3
  - 1. The Corporate Sustainability Reporting Directive and the contribution expected from EFRAG ..... 3
  - 2. EFRAG’s governance reform..... 3
  - 3. The work carried out in project mode to elaborate exposure drafts ..... 4
  - 4. The public consultation ..... 5
- Part II – The 7 key features of the exposure drafts ..... 6
  - 1. Exposure Drafts may need to be adjusted to meet the requirements of the final CSRD ..... 6
  - 2. Exposure Drafts take account of existing European law and initiatives ..... 6
  - 3. Exposure Drafts take account of European and international sustainability reporting initiatives ..... 7
  - 4. The overall architecture of Exposure Drafts is designed to ensure that sustainability information is reported in a carefully articulated manner ..... 8
  - 5. Exposure Drafts address sustainability matters as per Article 19b of the CSRD proposal ..... 9
  - 6. Exposure Drafts are a first step of journey towards a faithful representation of sustainability performance ..... 9
  - 7. The public consultation will help to finetune relevance and comparability as well as explore ESRS implementation prioritisation / phasing-in options ..... 10
- Part III – The objectives and practical aspects of this public consultation: ..... 11
  - 1. Objectives of the public consultation..... 11
  - 2. Practical aspects of the consultation..... 12
- Part IV – ESRS Public consultation survey ..... 13
- Appendices ..... 13

## Part I – The context and the process

### 1. The Corporate Sustainability Reporting Directive and the contribution expected from EFRAG

- 1 On 21 April 2021, The European Commission adopted a legislative [proposal for a Corporate Sustainability Reporting Directive](#) (CSRD). One of the key provisions of the CSRD is that companies in scope would have to report in compliance with European sustainability reporting standards (ESRS) adopted by the European Commission as delegated acts, on the basis of technical advice provided by EFRAG.
- 2 In a letter dated 12 May 2021 Commissioner McGuinness requested EFRAG to:
  - (a) reform its governance following the recommendations made by Jean-Paul Gauzès in his [report](#) issued in March 2021; and
  - (b) put in place interim working methods to start the technical development of standards immediately, in parallel to legislative negotiations, building on the membership, leadership, expertise and recommendations of the Project Task Force that undertook preparatory work for the elaboration of possible EU non-financial reporting standards (PTF-NFRS), with reference to its report issued in [March 2021](#).

### 2. EFRAG's governance reform

- 3 Executing on Commissioner McGuinness' invitation, EFRAG immediately engaged in moving the reform of its governance along. In December to February 2022, EFRAG's General Assembly approved its enlarged membership, including organisations of a new Civil Society Organisations Chapter that was included in the membership of the EFRAG Sustainability reporting pillar. On 21 January 2022 the EFRAG General Assembly approved its new Statutes and Internal Rules, integrating a new Sustainability reporting pillar in EFRAG's organisational structure mirroring its Financial reporting pillar and organising a clear allocation of responsibilities between the Financial Reporting Board (FRB) and the EFRAG Sustainability Reporting Board (SRB) on the one hand (technical matters) and the newly created EFRAG Administrative Board on the other hand (administrative, governance, oversight and due process). The EFRAG Administrative Board was appointed in December (and its President and Vice-President and the Civil Societies Organisations' representative in February) and became operational after the approval of the EFRAG Internal Rules and EFRAG Statutes in January.
- 4 EFRAG Administrative Board supported by its Nominating Committee then proceeded with selecting the members of the EFRAG SRB, following a public call for candidates, and recommending its composition to the EFRAG General Assembly. Members of the EFRAG SRB were appointed by the EFRAG General Assembly in its 1 March meeting. The first EFRAG SRB meetings took place on 31 March 2022, 13 and 22 April 2022.
- 5 On 15 March 2022, the EFRAG General Assembly also approved EFRAG's [Due Process Procedures EU Sustainability Reporting Standard- Setting](#). Following a public call for candidates, the EFRAG Administrative Board supported by the Extended SRB EFRAG Administrative Board Nominating Committee recommended the composition of the EFRAG Sustainability Reporting Technical Expert Group (SR TEG), that was appointed by the EFRAG SRB on 13 April 2022.

### 3. The work carried out in project mode to elaborate exposure drafts

- 6 In parallel with the governance reform, and in order to ensure that EFRAG's new SRB would be in a position to deliver its technical advice to the European Commission in time for the European Commission to meet its own deadline to adopt the first set of ESRS, the PTF-NFRS was invited by EFRAG, following Commissioner McGuinness recommendation, to launch the preparation of a first set of ESRS Exposure Drafts based on the CSRD mandate. The PTF-NFRS, which members were selected following a public call for candidates in July 2020, became the Project Task Force on the elaboration of ESRS (PTF-ESRS) and started working in June 2021, assisted by representatives of European Public Authorities acting as observers.
- 7 Beyond PTF-wide consensus building presentations, surveys and debates, preparatory work of the ESRS exposure drafts also involved interactions with external Expert Working Groups, the members of which were selected following a public call for candidates. All intermediary Working Papers were made publicly available on EFRAG's website as they were presented and debated by the PTF-ESRS in plenary meetings. This ensured a high degree of transparency around the work of the PTF-ESRS.
- 8 In order to meet the ambitious deadlines for submitting the first set of draft ESRS to the European Commission by November 2022 and to benefit from the longest public consultation period possible, it was critical that the public consultation on the Exposure Drafts (EDs) of the first set of ESRS be launched as soon as possible. In this context, the EFRAG SRB decided to launch the public consultation on the basis of the EDs prepared under the sole responsibility of the PTF-ESRS.
- 9 The EFRAG SRB has not reviewed or discussed the EDs and therefore has not taken any position on their content at this stage. However, the EFRAG SRB:
  - reviewed and approved the questions raised to stakeholders in the public consultation and
  - on the basis the European Commission's firm request for EFRAG to submit its technical advice for a full set 1 of draft ESRS in November, had to adopt an accelerated due process procedure for the duration of the public consultation .
- 10 The EFRAG SRB and the EFRAG SR TEG will consider the EDs in parallel with the public consultation and following the handover by the PTF-ESRS. Together with the input and results from the public consultation, the EFRAG SRB supported by the EFRAG SR TEG will agree the final first set of draft ESRS to be submitted to the European Commission.
- 11 On 27 April 2022, the PTF-ESRS transmitted its proposed public consultation package, including the first set of Exposure Drafts, to EFRAG SRB. Using the possibility given by paragraph 1.5 of the EFRAG Sustainability Reporting Due Process Procedures to go through an accelerated due process<sup>1</sup> the EFRAG SRB submitted these EDs to public consultation immediately for a period of 100 days ending on 8 August 2022, 3 weeks shorter than the standard 120 days period. This decision is driven by the following factors:
  - the request of the European Commission for EFRAG to submit its technical advice on the first set of Draft ESRS in November,

---

<sup>1</sup> EFRAG Sustainability Reporting Due Process Procedures, paragraph 1.5: "A robust, agile and adaptable due process is necessary to meet urgent standard-setting needs within a rapidly-moving landscape. Therefore, all the steps described in this document may not need to be applied mechanically or sequentially in all instances. In some circumstances, an accelerated due process may be appropriate whereby a core of necessary due process steps will be defined. In such cases, the EFRAG Administrative Board, in its oversight role of due process, will be consulted." Paragraph 5.4 of the DPP requires approval by the EFRAG Administrative Board for a consultation period less than the minimum of 120 days.

- the time needed by EFRAG SR TEG and EFRAG SRB:
  - to perform the analysis of the feedback received from stakeholders through the public consultation,
  - to debate on appropriate revisions to be made, and
  - to adopt the final draft ESRS.

If as a consequence of the political agreement reached following the finalisation of the CSRD legislative process, the timeline for the adoption of the ESRS in the form of delegated acts was modified in a way that creates flexibility, EFRAG would consider the possibility to move back its own public consultation period to the regular 120 day period.

- 12 For similar reasons, the EFRAG SRB also decided to progress in parallel with the public consultation in respect of three key components of the due process:

- (a) Finalisation of the Bases for Conclusions in relation to the ESRS Exposure Drafts by the PTF-ESRS during the public consultation process at the latest by the end of May.

As a reminder, Bases for Conclusions are not part of a standard per se – and for this reason will not be part of the delegated act adopted by the European Commission – but aim to clarify the reasoning and logic of the process followed by EFRAG in drafting the relevant disclosure requirements Bases for Conclusions will be made publicly available on EFRAG’s website and will be announced by dedicated news items.

- (b) Cost-Benefit Analysis

In consideration of the very tight timeline and of the available resources, the PTF-ESRS prioritised the preparation of the ESRS Exposure Drafts. The Cost-Benefit analysis, which is an important aspect of the standard development process, will be managed by EFRAG in parallel to the public consultation, in order for the EFRAG SRB supported by the EFRAG SR TEG to be in a position to provide a complete technical advice to the European Commission, as per the CSRD proposal.

- (c) Digital Guidance

The digital guidance aims at helping reporting undertakings to publish their ESRS compliant information in digital format. This will be considered in due course when following the public consultation and deliberations by the EFRAG TEG and EFRAG SRB the technical advice will be delivered to the European Commission.

#### 4. The public consultation

- 13 The current public consultation is organised to receive feedback from constituents on three key aspects of the EDs:
- 1) the relevance of (i) the proposed architecture, (ii) the implementation of the CSRD principles and (iii) the overall content of each ED
  - 2) the possible options for prioritising / phasing-in the implementation of the ESRS, and
  - 3) the adequacy of each disclosure requirement mandated by each ED.

## Part II – The 7 key features of the exposure drafts

- 14 Articles 19a, 19b, 19c and 19d provisions of the CSRD proposal provide key elements framing and driving the architecture and content of the ESRS. The following paragraphs illustrate the way these provisions have guided the standard setting process and are covered by the ESRS EDs submitted to this public consultation.

### 1. Exposure Drafts may need to be adjusted to meet the requirements of the final CSRD

- 15 EDs were prepared on the basis of the April 2021 CSRD legislative proposal, as at the time of their issuance the final text of the Directive is not available, pending the ongoing legislative negotiation by European Council and Parliament.
- 16 Therefore, any change adopted in the final CSRD (potentially during the EFRAG public consultation period) will have to be reflected in the final draft standards approved by the EFRAG SRB and submitted to the European Commission.

### 2. Exposure Drafts take account of existing European law and initiatives

- 17 As clearly articulated in the March 2018 EU action plan financing sustainable growth, robust, reliable, and relevant sustainability information is a key element of success for a number of leading initiatives embedded in the action plan. Some of which create sustainability reporting obligations, sometimes with specific disclosures being defined, while others influence or frame the definition of relevant sustainability information.
- 18 Sustainable Finance Disclosure Regulation (SFDR) Principal Adverse Impact metrics (PAI KPIs) are indicators required to be reported by Financial Market Participants subject to the SFDR<sup>2</sup>. In order for Financial Market Participants to be able to collect such indicators from their clients, these SFDR PAI KPIs as defined by the Regulatory Technical Standards (RTS) adopted by the European Commission on 6 April 2022, are included in the Exposure Drafts and specifically flagged as being SFDR PAI KPIs<sup>3</sup>.
- 19 The Taxonomy “Article 8” delegated act<sup>4</sup> defines disclosure requirements for undertakings subject to the Taxonomy regulation. Environmental EDs (ESRS E1 to E5) make explicit reference to these disclosure requirements which are hosted in a dedicated placeholder of the management report and the social EDs (ESRS S1 to S4) address the reporting needs set out by the “minimum safeguards”.
- 20 Included in the list of European texts to be considered are the Benchmark Regulation, the GHG allowance Directive, the EMAS regulation and European Commission recommendation on the life cycle environmental performance of products and services. All have direct or indirect implications for the climate and other environmental standards. The way and extent to which they are taken into account in the definition of the disclosure requirements and application guidance of the environmental standards will be found in their respective basis for conclusions.

---

<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R2088&from=EN>

<sup>3</sup> A mapping of where SFDR PAI KPIs are covered in the ESRS can be found in appendix 3.

<sup>4</sup> [taxonomy-regulation-delegated-act-2021-4987\\_en.pdf \(europa.eu\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021L0498&from=EN)



- 21 Beyond this list, other key ongoing European initiatives have been considered in the drafting of the ESRS. This was notably the case for the recently released proposal by the European Commission of a Corporate Sustainability Due Diligence Directive (CSDDD). Due diligence related disclosure requirements found throughout the ESRS EDs – the overview of which can be found in ESRS 1 General principles and ESRS 2 General, strategy, governance, and materiality assessment disclosure requirements – are designed to provide transparency on the undertaking’s approach to due diligence. The related disclosure requirements may need to be adjusted in the future, following the completion of the ongoing CSDDD legislative process.

### 3. Exposure Drafts take account of European and international sustainability reporting initiatives

- 22 Another direct request of article 19b(3) relates to the consideration to be given to international standards and other frameworks or initiatives pertaining to sustainability reporting.
- 23 Aiming to capitalise upon and consolidate the sustainability reporting achievements to date the PTF-ESRS fully considered the lessons learned from the implementation of the current European legislation, the Non-Financial Reporting Directive (NFRD), the existing related guidelines and the best practices that have developed in such a context.
- 24 It is with this objective in mind that the PTF-ESRS signed statements of cooperation with the GRI<sup>5</sup>, Shift<sup>6</sup> and WICI<sup>7</sup>. Doing so enabled the PTF-ESRS to work closely with representatives of these three institutions, which provided input and recommendations for the drafting work and to enable the appropriate inclusion of impact related information, human rights principles, and best practices, and, in preparation of future EDs, intangible-related sustainability information.
- 25 Robust and constructive dialogue was also entertained with other leading international initiatives regardless of any cooperation agreement being formalised, with the common goal of both mutual understanding of approach and goals and search for ways to facilitate compatibility and convergence wherever possible. With this in mind, the PTF-ESRS had regular technical dialogue with a delegation of experts of the IFRS Foundation’s Technical Readiness Working Group (TRWG) and now of the International Sustainability Standards Board (ISSB) on their two recently issued Exposure Drafts<sup>8</sup>.
- 26 Other international initiatives were also considered. A comparison between the ESRS on climate-related disclosures and the recently issued proposal of the US Securities and Exchange Commission was considered. The reconciliation with the TCFD framework<sup>9</sup> was also discussed with the delegation of experts from the TRWG and then the ISSB when comparing approaches to climate-related disclosures. And experts from the Task-force on Nature-related Financial Disclosures (TNFD) were invited to compare approaches on biodiversity-related disclosures.

---

<sup>5</sup> [GRI - Home \(globalreporting.org\)](https://www.globalreporting.org/).

<sup>6</sup> [Shift Home - Shift \(shiftproject.org\)](https://www.shiftproject.org/)

<sup>7</sup> [WICI - the world's business reporting network- \(wici-global.com\)](https://www.wici-global.com/)

<sup>8</sup> A mapping of the ISSB exposure drafts and the draft ESRS 1 on General provisions and ESRS E1 on climate can be found in appendix 4.

<sup>9</sup> A mapping of the TCFD recommendations and the draft ESRS can be found in appendix 5.

#### 4. The overall architecture of Exposure Drafts is designed to ensure that sustainability information is reported in a carefully articulated manner

- 27 Article 19a(2) of the CSRD proposal gives a list of sustainability information to be covered by the ESRS. Many elements of information contained in this list would apply to all sustainability subject matters – also identified as sustainability topics, subtopics or even sub-subtopics in the Exposure Drafts – listed in article 19b.
- 28 Therefore, the EDs architecture is designed a) to organise the reporting of relevant disclosures addressing sustainability subject matters as required by the CSRD proposal, b) to foster maximum comparability across sectors while ensuring appropriate room for and balance between sector-agnostic, sector-specific and entity-specific information, and c) to facilitate the navigation through the reported information.
- 29 Following this approach, standards are organised by categories which all complement and interact with each other. There are three categories of standards:
- (a) The **cross-cutting standards** cover the general provisions applying to
- sustainability reporting under the CSRD, including principles to be followed by the topical standards (sector-agnostic and sector-specific) when prescribing disclosure requirements related to *policies, targets, actions and action plans, resources* across all sustainability subject matters, in order to ensure consistency on these aspects throughout all ESRS (ESRS 1); and
  - the sustainability disclosure requirements (ESRS 2) that relate to how the undertaking complies with ESRS, to the way sustainability is embedded in the undertaking's "company-wide" business strategy and business model(s), its governance and to how the undertaking identifies and manages its principal sustainability impacts, risks and opportunities.

These aspects are meant to be transversal to all sustainability subject matters, as defined in article 19b (hence the name "cross-cutting" standards). The related disclosure requirements correspond to the governance, strategy and risk management reporting pillars of the TCFD and the ISSB<sup>10</sup>.

- (b) **Topical standards** cover a specific sustainability topic or sub-topic – as defined by article 19b and described in the next section – from a sector agnostic perspective. They set disclosure requirements relating to sustainability impacts, risks and opportunities that are deemed to be material for all undertakings, regardless of the sectors they operate in. Such disclosure requirements complement those prescribed by the cross-cutting standards and cover information to be reported on

- the *policies, targets, actions and action plans, resources* adopted by the undertaking on a given sustainability topic or subtopic,
- as well as corresponding *performance measurement metrics* for each sustainability topic or subtopic.

Such targets and performance measurement metrics correspond to the TCFD and ISSB targets & metrics fourth and last reporting pillar<sup>11</sup>.

- (c) The ESRS architecture foresees the preparation of **sector-specific standards**, not included in this consultation. Such standards will prescribe disclosure requirements designed to provide for the preparation of information relating to sustainability risks, impacts and opportunities that are deemed to be material for all undertakings operating in a given sector. Such disclosure

---

<sup>10</sup> See appendix 4 and 5 for a mapping of TCFD and ISSB recommendations and ESRS disclosure requirements.

<sup>11</sup> Ibid.



requirements complement those prescribed by the cross-cutting standards and the topical (sector-agnostic) standards and specify additional information to be reported on the *policies, targets, actions and action plans, resources* adopted by the undertaking on a given sustainability subject matter, as well as on the corresponding *performance measurement metrics*.

- 30 All three categories of standards are meant to organise the reporting of information in a way that will foster relevance and comparability (across sectors and within sectors) while being reader / user friendly. They also prescribe how mandatory information resulting from all other ESRS should be organised and presented in the Management Report.

## 5. Exposure Drafts address sustainability matters<sup>12</sup> as per Article 19b of the CSRD proposal

- 31 Article 19b(2) of the CSRD proposal provides a list of sustainability subject matters to be covered by the ESRS. The ESRS structure is designed to organise the coverage of listed matters in a way that avoids duplication and confusion.
- 32 Article 19b(2)a covers **environment-related matters** and identifies six specific subtopics. Five environmental Exposure Drafts have been designed to cover these six subtopics, with the two climate-related subtopics of mitigation and adaptation being covered by one single climate standard – ESRS E1. Other environmental standards include ESRS E2 on *Pollutions*, ESRS E3 on *Water and marine resources*, ESRS E4 on *Biodiversity and ecosystems*, and ESRS E5 on *Circular economy*.
- 33 Article 19b(2)b covers **social-related matters**. The approach taken to organise the social-related standards to cover all listed matters is driven by the category of population potentially concerned by the listed social matters. Therefore, it was proposed to organise the social ESRS around the categories of affected population: own workforce (ESRS S1), workforce in the value chain (ESRS S2), affected communities (ESRS S3) and end-users / consumers (ESRS S4).
- 34 Article 19b(2)c covers **governance-related matters**. These are addressed by two governance EDs: ESRS G1 on *Governance, risk management and internal control*, ESRS G2 on *Business conduct*. The governance topical standards aim at prescribing disclosure requirements pertaining to governance aspects, as sustainability matters *per se* (i.e. not limited to governance of sustainability matters), like business ethics and conduct, Board diversity and inclusion.

## 6. Exposure Drafts are a first step of journey towards a faithful representation of sustainability performance

- 35 Articles 19b(1) and 19c of the CSRD proposal require that the Commission adopts delegated acts for sustainability reporting standards. A first set shall cover “*the information that undertakings are to report in accordance with paragraphs 1 and 2 of Article 19a, and at least specifying information corresponding to the needs of financial market participants subject to the disclosure obligations of Regulation (EU) 2019/2088*”. A second set shall cover “*(i) complementary information that undertakings shall report with regard to the sustainability matters and reporting areas listed in Article 19a(2), where necessary, (ii) information that undertakings shall report that is specific to the sector in which they operate, and (iii) sustainability reporting standards proportionate to the capacities and characteristics of small and medium-sized undertakings*”.

---

<sup>12</sup> Referred to as sustainability topics or subtopics in the Exposure Drafts.

- 36 Article 19b(1) also states that *“The Commission shall, at least every three years after its date of application, review any delegated act adopted pursuant to this Article, taking into consideration the technical advice of the European Financial Reporting Advisory Group (EFRAG), and where necessary shall amend such delegated act to take into account relevant developments, including developments with regard to international standards”*.
- 37 ESRS Exposure Drafts submitted to this public consultation follow this phased-in approach and, as a consequence, do not include SME-proportionate standards nor sector-specific standards. Such standards are still being developed and will be submitted to a separate public consultation as soon as possible<sup>13</sup>.
- 38 Article 19b(1) also requires the European Commission to review, at least every three years, any previously adopted delegated act (i.e. ESRS). This continuous enhancement approach aims at ensuring that the ESRS remain relevant and up-to-date with recent developments, should such developments result from the evolution of European law and/or from progress made by international sustainability reporting standard setters and frameworks, as well as addressing any challenge or potential need for improvement arising from the implementation of the already applied standards. This means that the ESRS submitted to this public consultation will most likely be enhanced in the future, as the legislative and standard setting environment and actual reporting practices evolve, in the EU and on the global stage.
- 39 For the time being, they represent the PTF-ESRS’s best assessment of the right balance between the consolidation of observed best practices to date in terms of sustainability reporting by large undertakings and the Commission’s goal as set in the April 2021 CSRD proposal to enhance the quality of sustainability reporting in Europe fast enough that it can support its sustainable development and sustainable finance agenda.

## 7. The public consultation will help to finetune relevance and comparability as well as explore ESRS implementation prioritisation / phasing-in options

- 40 Bearing in mind that sector-specific and SME-proportionate standards will be adopted in a second step, EDs were drafted in search of the right balance between:
- the need to make significant progress in improving the quality of sustainability information (enhancing relevance, verifiability, and comparability, among other things)
  - meeting the growing needs of users (some of which derive from a number of sustainable finance-related regulations with tight implementation deadlines)
  - while not overburdening preparers (some of which will be first time preparers).
- 41 The ESRS architecture seeks to support this balance based on the central articulation of:
- mandatory disclosure requirements prescribed by ESRS, and
  - the pivotal importance of the assessment by the entity of its material impacts, risks and opportunities.

The combination of the two is designed to make sure that the entity will report on all of its material only impacts, risks and opportunities.

---

<sup>13</sup> See appendix 1 for a comprehensive mapping of all ESRS and tentative scope for set 1 and set 2 submission by EFRAG.

- 42 The mandatory disclosure requirements included in the EDs mainly result from the consolidation of current best practices, based on the use of existing international standards and frameworks, complemented by new sustainability reporting obligations resulting from recent European regulations and legislation (like SFDR and Taxonomy, for example). It was decided to include them in the sector-agnostic standards in order to foster relevance and faithful information for all sectors.
- 43 Its own materiality assessment enables the entity to determine which ones of the mandatory disclosures requirements are relevant to its specific situation, i.e. address its material impacts, risks and opportunities.
- 44 EFRAG expects that the public consultation will help to assess:
- the efficiency of the entity materiality assessment practical implementation
  - the relevance of the proposed mandatory disclosure requirements, both in terms of sustainability matter coverage objective and sector-agnostic nature
  - the opportunities and criteria to consider ESRS implementation prioritisation / phasing-in options. EFRAG acknowledges that the EDs support a comprehensive sustainability reporting that might be challenging to implement in year one for the new preparers and potentially to some of the large preparers already reporting under the NFRD as well.

## Part III – The objectives and practical aspects of this public consultation:

### 1. Objectives of the public consultation

- 45 EFRAG is consulting on:
- (a) The overall ESRS architecture, content and substance, and specifically:
- i) on the practicality and efficiency of the proposed approach to materiality
  - ii) whether the ESRS and the proposed disclosure requirements do promote relevant, verifiable, understandable, comparable information and ultimately are adequate to support the production of faithful information
  - iii) whether the ESRS and the proposed disclosure requirements do strike the right balance between relevance, feasibility, preparation costs and decision-usefulness
  - iv) the completeness of the ESRS, in terms of datapoints and of disclosure requirements, per each sustainability topics / subtopics.
- (b) The implementation prioritisation/phasing-in opportunities and options to further ensure that the ESRS strike the right balance between covering all CSRD requirements and stakeholders expectations, paying particular attention to sustainable finance related needs, while achieving a reasonably ambitious enhancement of current reporting practices.
- 46 As mentioned above, EFRAG is not consulting on standards that are due to be considered and adopted by the European Commission in a second set, namely the sector-specific and SME-proportionate standards.

## 2. Practical aspects of the consultation

- 47 The public consultation survey is organised in three sections that can be accessed and answered independently:
1. Overall substance of the Exposure Drafts
  2. ESRS Implementation prioritisation / phasing-in
  3. Adequacy of Disclosure Requirements
- 48 In order to ease the survey navigation, these 3 sections are organised in a chapter menu, as follows:
- 1A. Overall ESRS Exposure Drafts relevance – Architecture
  - 1B. Overall ESRS Exposure Drafts relevance – Implementation of CSRD principles
  - 1C. Overall ESRS Exposure Drafts relevance – Exposure Drafts content
  2. ESRS implementation prioritisation / phasing-in
    - 3A. Adequacy of Disclosure Requirements – Cross cutting standards
    - 3B. Adequacy of Disclosure Requirements – Environmental standards
    - 3C. Adequacy of Disclosure Requirements – Social standards
    - 3D. Adequacy of Disclosure Requirements – Governance standards
- 49 Respondents are strongly encouraged to respond to sections 1 and 2. Due to the comprehensive nature of section 3, respondents are welcome to selectively choose which disclosure requirements they would like to respond to and comment.
- 50 Respondents should provide their response to the public consultation questions by using **the online survey** (please click here for the link to sections 1 and 2 of the public consultation, and here for the link to section 3 of the public consultation) in order for these responses to be analysed and included in the report summarising the responses and to allow EFRAG to meet the ambitious timetable. In this way, a fair and transparent consultation process can be ensured.
- 51 Comments that do not address the specific aspects covered by the questions listed in the online survey, such as general comments, may be sent in the form of comment letters, preferably uploading the letters on the survey tool.
- 52 EFRAG will hold outreach events in a number of geographies to engage more closely with stakeholders. More information on these events will be posted on EFRAG website and announced by a news item in the coming weeks.

## Part IV – ESRS Public consultation survey

Please, click [here](#) to access a word version of the public consultation survey questionnaires.

### Appendices

Appendix I – Navigating the ESRS: ESRS Exposure Drafts / Disclosure Requirements, Application Guidance index

Please, click [here](#) to access Appendix I

Appendix II – CSRD requirements for the development of sustainability reporting standards and their coverage by the ESRS Exposure Drafts

Please, click [here](#) to access Appendix II

Appendix III – SFDR Principal Adverse Impacts in the ESRS

Please, click [here](#) to access Appendix III

Appendix IV – TCFD Recommendations and ESRS reconciliation table

Please, click [here](#) to access Appendix IV

Appendix V – IFRS Sustainability Standards and ESRS reconciliation table

Please, click [here](#) to access Appendix V

Appendix VI – Acronyms and glossary of terms

Please, click [here](#) to access Appendix VI



EFRAG is co-funded by the European Union and EEA and EFTA countries. The contents of the documents are however the sole responsibility of the EFRAG PTF- ESRS and do not necessarily reflect those of the European Union or the Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA). Neither the European Union nor DG FISMA can be held responsible for them.