

07-03 First batch of proposed categorisation [SRB meeting 15.11.2023]

Mailing from ESRs Q&A Platform to Sustainability Reporting Board

Please note that for the questions categorised as 'implementation guidance' this indication does not correspond to a comm

Cut-off date for questions processed by EFRAG secretariat 08/11/2023

Mailing for: SR Board

Mailing type: a. cat. to be sent to SRB

| Re-sponse ID | Category of question: * Application * Imp.G * Amendment * out of scope * Rejection (secretariat proposal) | Bundling of related questions (only applicable for implementation guidance and Sc 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 | Country question coming from |
|--------------------|---|--|---|---|---|--|--|-----------------------|------------------------------|
| 29 1 - application | | n/a | x-cutting | Voluntary reporting requirements Breakdown temporary, permanent, non-guaranteed hours employees | Does "may disclose" refer to an optional reporting or are these aspects still mandatory? | ESRS S1 paragraph 77, 80 | ESRS 1 paragraph 18 distinguishes between obligations to disclose information for (a) 'shall disclose' and (b) 'may disclose', which indicates voluntary disclosures. ESRS S1-12 S1 paragraph 77 uses the formulation 'shall disclose', while paragraph 80 is voluntary and used 'may disclose.' | Professional Services | Germany |
| 31 1 - application | | n/a | Social | Methodology for presenting information on employees | Is this a three-way split or is non-guaranteed hours employees part of temporary/permanent employees? Is there a materiality approach for the people reporting in place (for example, if 99% of the workforce are full-time employees, the difference between our existing FTE reporting and head count is negligible. Does an additional head count reporting have to be set up or can we keep FTE reporting and provide background information for the users?) | ESRS S1 paragraph 50(b) ESRS S1 paragraph 50(b) and (d), 52(a) and (b); ESRS S1 paragraph AR 55. | According to ESRS S1-6 under paragraph 50(b) and 52(a), (b) it is possible to either report by head count or full-time equivalent (FTE). The undertaking can report on the basis of FTE only. | Professional Services | Germany |
| 32 1 - application | | n/a | Social | Definition of non-employees | Which groups can be considered as employees or non-employees workers in line with the German HGB respectively other national laws? | ESRS 1 paragraph 34 ESRS S1 paragraph 50(a), ESRS S1 paragraph 55(a) | Clarifying ESRS S1 para 4 in relation to status of employees and non-employees pursuant applicable labour law at country level. | Professional Services | Germany |
| 33 1 - application | | n/a | Social | Energy mix Materiality, positive impact only | Does disclosure E1-37(b) refer to all forms of energy generated from nuclear sources, such as electricity? If so, does this disclosure also encompass electricity mixes that include fractions of nuclear-generated electricity? Can an impact be material if it is material from a positive impact perspective, only? | ESRS E1 paragraph 37(b); mix (mix %) ESRS E1 paragraph AR3 (7) ESRS 1 chapter 3.4; paragraph 46 | Disclosure to reflect electricity consumption from nuclear sources in electricity (mix (mix %)) Refer to ESRS 1 paragraph 46 explaining when a positive impact is material | Professional Services | Germany |
| 36 1 - application | | n/a | Environment | Structure of sustainability statement | Separating HR policies (S1-1), action plans (S1-4), targets (S1-5) and metrics (S1-9 to S1-17) is not efficient for the understanding of the users. Can we put into one chapter, for each material issue (eg Health and safety), the policy with the targets, the action plan and the metrics? | ESRS 1 paragraph AR3 (7) ESRS 1 chapter 3.4; paragraph 46 | ESRS 1-8 provides the basis for the presentation of the information about sustainability matters prepared in compliance with Articles 19a and 29a of Directive 2013/34/EU. Appendix F includes a non-binding illustrative example. To consider additionally is the option to present the disclosures required by ESRS 2 SBM-3 alongside the topical disclosures, as specified in ESRS S1 paragraph 11. | Metal Processing | Netherlands |
| 37 1 - application | | n/a | x-cutting | List of sectors SBM1 | What are the 'ESRS sectors' mentioned under the ESRS 2 Disclosure Requirement SBM-1? About the carbon accounting for insurance companies : - What is the exact scope of reporting scope 3 greenhouse gas emissions for insurance companies? For example, for a car bumper refund, should the greenhouse gas emissions linked to the manufacture and transport of the bumper be included? - Should the greenhouse gas emissions of the companies in which the insurance company invests be taken into account when reporting the insurance company's greenhouse gas emissions? | ESRS 1 paragraph 46 | Refer to ESRS 1 paragraph 46 explaining when a positive impact is material | Not applicable | Germany |
| 38 1 - application | | n/a | Social | scope 3 boundaries, financial investment, insurance companies | What are the 'ESRS sectors' mentioned under the ESRS 2 Disclosure Requirement SBM-1? About the carbon accounting for insurance companies : - What is the exact scope of reporting scope 3 greenhouse gas emissions for insurance companies? For example, for a car bumper refund, should the greenhouse gas emissions linked to the manufacture and transport of the bumper be included? - Should the greenhouse gas emissions of the companies in which the insurance company invests be taken into account when reporting the insurance company's greenhouse gas emissions? | ESRS 1 paragraph 46 | Refer to ESRS 1 paragraph 46 explaining when a positive impact is material | Not applicable | Germany |
| 39 1 - application | | n/a | x-cutting | GHG protocol, operational control | If appendix C of ESRS 1 allows companies under 750 employees to omit E4 and S1-4 for the first three years, why does ESRS 2 paragraph 17 then say that the information still needs to be disclosed if considered material? Is there a difference in granularity of information disclosed? According to ESRS, when calculating the total GHG emissions, the principles, requirements and guidance provided by the GHG protocol should be considered. In the GHG protocol, there are different methods to use when deciding the organizational boundaries (equity share approach and control approach), which one should be used according to ESRS? Considering the case of a holding company with over 100 companies, is it imperative for all 100+ companies to rely on the exact same criteria and methods for the collection of the GHG emissions data, provided they all align with the GHG protocol, and the requirements set out in E1-6 (and the corresponding application requirements)? | ESRS 1 paragraph 46 | Refer to ESRS 1 paragraph 46 explaining when a positive impact is material | Not applicable | Germany |
| 40 1 - application | | n/a | Environment | GHG emissions, subsidiaries | If appendix C of ESRS 1 allows companies under 750 employees to omit E4 and S1-4 for the first three years, why does ESRS 2 paragraph 17 then say that the information still needs to be disclosed if considered material? Is there a difference in granularity of information disclosed? According to ESRS, when calculating the total GHG emissions, the principles, requirements and guidance provided by the GHG protocol should be considered. In the GHG protocol, there are different methods to use when deciding the organizational boundaries (equity share approach and control approach), which one should be used according to ESRS? Considering the case of a holding company with over 100 companies, is it imperative for all 100+ companies to rely on the exact same criteria and methods for the collection of the GHG emissions data, provided they all align with the GHG protocol, and the requirements set out in E1-6 (and the corresponding application requirements)? | ESRS 1 paragraph 46 | Refer to ESRS 1 paragraph 46 explaining when a positive impact is material | Not applicable | Germany |
| 41 1 - application | | n/a | x-cutting | Entity specific guidance and examples | Can you give any concrete examples of potential entity specific sustainability matters and any guidance related to finding and dealing with such? | ESRS 1 Appendix A Entity specific disclosures | ESRS 1 para. 62 overall sets financial control boundary: "The sustainability statement shall be for the same reporting undertaking as the financial statements...". | Professional Services | Finland |
| 42 1 - application | | n/a | Environment | Disclosure requirement | Is the bolded DR statement an indicator ie. a KPI that the undertaking has to respond to? Or is it simply a "headline" that prescribes what the paragraph will contain once all the individual datapoints are completed? Can you please precise if for the below indicators : a) the gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees; should we include variable components of salary or only gross wage | ESRS E1 paragraph 44; ESRS E1 paragraph AR 39 | ESRS E1 para 46, 50b; AR40 and ESRS E2 then extends boundary in relation to operational control. Using same methodologies is recommended, but not prescribed in ESRS. In alignment with ESRS E1 AR39b, ESRS E1 50, ESRS E1 AR46 (h), the undertaking is expected to disclose if different methodologies are being used. [Note: there is an element here which EFRAG cannot pre-judge. The assessment if the methods and data collection complies with the requirements of ESRS 1 and 2 is a topic for the auditors to assess.] As mentioned in ESRS 1 paragraph 131 and in the draft MAIG step B par 67 : The available best practices and/or available frameworks and/or other reporting standards, such as the IFRS industry-based guidance and GRI Sector Standards, are possible sources of relevant disclosures for entity-specific matters." -> Links to ex-SASB, GRI sector standards and Shift Red Flags have been added in the draft answer ESRS E1 para 45 outlines the objective of para 44 ESRS E1 para 46 – 52 specifies what DRs para 44 shall include Indeed, DR in relation to ESRS E1 para 44 are met by disclosing on paras 46 - 52 ESRS S1 AR 98 clarifies how to calculate the gender pay gap, (a) specifying to include 'all employees' gross hourly pay level' and (b) provides a formula. | Professional Services | Sweden |
| 43 1 - application | | n/a | Environment | Calculation of gender pay gap GHG emissions scope 1; Guarantee of Origins | Under which circumstances can reporting entities use Guarantees of Origin for biomethane (or green hydrogen certificates) to assess their emissions (market-based) under scope 1 as per ESRS E1 Paragraph 48 and AR 43? | ESRS E1 paragraph 48; ESRS E1 paragraph AR 43 | There is no market-based accounting in ESRS or GHG Protocol for GHG emissions Scope 1. | Professional Services | France |
| 44 1 - application | | n/a | Social | GHG emissions scope 1; Guarantee of Origins | Under which circumstances can reporting entities use Guarantees of Origin for biomethane (or green hydrogen certificates) to assess their emissions (market-based) under scope 1 as per ESRS E1 Paragraph 48 and AR 43? | ESRS E1 paragraph 48; ESRS E1 paragraph AR 43 | There is no market-based accounting in ESRS or GHG Protocol for GHG emissions Scope 1. | Not applicable | France |
| 45 1 - application | | n/a | Environment | Guarantee of Origins | Under which circumstances can reporting entities use Guarantees of Origin for biomethane (or green hydrogen certificates) to assess their emissions (market-based) under scope 1 as per ESRS E1 Paragraph 48 and AR 43? | ESRS E1 paragraph 48; ESRS E1 paragraph AR 43 | There is no market-based accounting in ESRS or GHG Protocol for GHG emissions Scope 1. | Professional Services | France |
| 46 1 - application | | n/a | Environment | Guarantee of Origins | Under which circumstances can reporting entities use Guarantees of Origin for biomethane (or green hydrogen certificates) to assess their emissions (market-based) under scope 1 as per ESRS E1 Paragraph 48 and AR 43? | ESRS E1 paragraph 48; ESRS E1 paragraph AR 43 | There is no market-based accounting in ESRS or GHG Protocol for GHG emissions Scope 1. | Professional Services | Norway |

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|--|-----------------------------------|-------------|-------------|--|---|---|--|------------------------------|--------------------------|
| 157 | 1 - application | n/a | x-cutting | ESRS 2 GOV disclosures and detailed specifications in the topical ESRS | If there is no additional guidance then do the other disclosure requirements do not apply to the topical standard (meaning Gov 1 and Gov 2 don't apply). Or do they all still apply, but there is just more guidance to follow in the topical (such that there is more specific guidance for Gov 3 specifically when reporting on E1?) | Disclosure Requirement GOV 1 and 2; ESRS 1 paragraph 29 | ESRS 2 disclosures are 'cross cutting in nature' so they do not refer to a specific topic. Some of them also have topical specifications in topical standards. The ESRS DRs that do not have a topical specification are applied at cross cutting level (without referring to a specific topic). | Professional Services | United States of America |
| 162 | 1 - application | n/a | x-cutting | minimum number of material matters? | Is there a minimum number of material sustainability matters? | ESRS 2 | Direction of answer: no minimum number of material sustainability matters is set in ESRS+ ref to ESRS1 par 32 (if climate is not material, explanation mandatory, if other topics are not material, brief explanation optional). The number will reflect the outcome of MA, based on specific facts and circumstances of the undertaking. MA IG provides guidance on how to conduct the materiality assessment as materiality is a principles-based concept. | Professional Services | Netherlands |
| 180 | 1 - application | n/a | x-cutting | time horizon - difference for impact / financial materiality | Is there a difference between the time horizon as defined in ESRS 1 for impact materiality and for financial materiality? | ESRS 1 chapter 6.4 ESRS E1 paragraph 34 (a) and (b); ESRS E1 paragraph AR 46 (g), (h), (i) | Clarification that time horizons are defined in ESRS 1 chapter 6.4 with no distinction made between impact and financial materiality. Also to note the option of deviating from standardised time horizons in ESRS 1 para 80. | Not applicable | France |
| 167 | 1 - application | n/a | Environment | GHG Protocol Scope 3; Sector | Is there a requirement for, or guidance around, the methods allowed to calculate Scope 3 emissions from shipping? | ESRS 1 paragraph AR 46 (g), (h), (i) | ESRS set reporting standards but do not prescribe detailed calculation methodologies. Additional provisions may be envisaged as part of the future ESRS sector standards. | Not applicable | Norway |
| 67 | 1 - application | n/a | x-cutting | SBM-3 vocabulary / grammar | Can you provide a more detailed explanation on how the expression 'as opposed to' is to be interpreted in the context of the disclosure requirement SBM-3? | ESRS 2 paragraph 48 (h) | as opposed' in this context is used to mean 'a specification of whether those impacts, risks and opportunities that are covered by ESRS Disclosure Requirements or by the undertaking using additional entity-specific disclosures'. | Not applicable | Italy |
| 2a - implementation 6 guidance (new) | Scope of 'training' under ESRS S1 | Social | | Forms and documentation of training qualitative vs quantitative disclosures for DR SBM 3 financial effects | Which sorts of training should be accounted for and how should it be documented? Is there a corresponding requirement through ESRS2 SBM3 §48 d) and e) to also monetarily quantify S- and G risk and opportunities or does ESRS2 SBM3 §48 d) and e) just imply a qualitative description of financial effects for S- und G-risks and opportunities? | ESRS S1 paragraph 13 | Annex II, Table 2 provides a broad definition of 'training' ('can include different methodologies, such as on-site training, and online training'). Further guidance on the forms of training this includes is necessary and requires a more broader approach than a clarification. Answering how to document training is however outside the scope of ESRS. SBM 3 is not explicit. | Capital Markets | Denmark |
| 2a - implementation 141 guidance (new) | | | x-cutting | | | ESRS 2 paragraph 48 (d) and (e) | | Motor Vehicles | Germany |
| 2a - implementation 174 guidance (new) | IG: Examples of impacts (AR16) | | x-cutting | Impact description for ESRS 1 paragraph AR 16 | Can EFRAG provide an impact description for each of the (sub)(Sub) topics in the list of sustainability matters to be considered as displayed in AR 16? | ESRS 1 Appendix A: Application Requirements; ESRS 1 paragraph AR 16 (Sustainability matters to be included in the materiality assessment) | Materiality assessment is specific to facts and circumstances of the undertaking; hence, severity is particular to each undertaking together with likelihood. [NOTE OF EFRAG SECRETARIAT: Usefulness of examples is questionable. They may be misleading if they are understood to be applicable by analogy in other circumstances. They could be considered in a sector specific dimension.] | Construction and Engineering | Netherlands |
| 2a - implementation 177 guidance (new) | | | x-cutting | link Disclosure Requirements to sustainability matters | Is there a mapping link between the sustainability matters listed in AR 16 and the disclosure requirements in the topical standards or must judgement be used in deciding the disclosures required for a material sustainability matter? | ESRS 1 paragraph AR 16 | The ESRS do not include such mapping. | Professional Services | Ireland |
| 2a - implementation 196 guidance (new) | | Environment | | Water storage | For the water storage metrics reporting, can we align with CIMM water guidance definition? Will the EU provide a comprehensive and validated set of emission factors to be used in the calculation? If not, how can we validate the accuracy of our emission calculation? | ESRS E3 - DP28 | This will require implementation guidance or, alternatively, may be covered by the development of sector standards. | Mining, Quarrying and Coal | France |
| 4 - out-of-scope of 63 EFRAG | | Environment | | Emission factors | Electronic submission of sustainability statement | E1 | This Question refers to a topic which is out of the remit of EFRAG. | Not applicable | Netherlands |
| 4 - out-of-scope of 138 EFRAG | | XBRL | | Number of employees - EU size criteria | How will electronic submission be handled once reporting is completed? One of the criteria for CSRD is the number of employees. How do you define employees? Is it fulltime, contractors, part-time, every category? | ESRS | EFRAG is responsible for the development of the digital ESRS XBRL taxonomy, that will be used for tagging. The actual tagging rule and storage mechanism for digital ESRS statements will be defined by ESMA and national Official Appointed Mechanisms (OAMs). This is on Article 3 of the Accounting directive requiring member states to define the categories of undertakings and groups including the criteria employees, so question does not relate to ESRS | Information Technology | Ireland |
| 4 - out-of-scope of 151 EFRAG | | Other | | | | ESRS 1 | Question unclear and not conclusive | Professional Services | Netherlands |
| 5a -rejection: non-28 conclusive | | Social | | Definitions S4 | Why are not all datapoints as well as application requirements included in the excel draft list of esrs data points? Some points are missing (e.g. ESRS 2 BP-2 DP 7 and 8) while some points are listed more than once (e.g. ESRS 2 BP-2 DP 15). Also, many application requirements are not included in the list. Why is this the case? | ESRS S4 | Refer to the revised IG 3 published on the 15 November 2023, this is a draft paper subject to approval that is to be read in conjunction with the methodology note. | Information Technology | Mexico |
| 5b - rejection: non-105 widespread | | XBRL | | XBRL - complete list of requirements | | 3-05-03 draft list of esrs data points | Rejection as this is covered by MAIG FAQ 13 | Not applicable | Germany |
| 5d - rejection: already 102 asked/answered | | | x-cutting | Materiality / Consolidated reporting | How to conduct the materiality assessment in groups with many subsidiaries: one consolidated materiality assessment or within each subsidiary with subsequent aggregation? | ESRS 1 chapter 7.6; MAIG (update based on final MAIG) | Refer to MA IG chapter 5.4 and FAQ 15-17 that further elaborates on ESRS 1 | Professional Services | Finland |
| 5d - rejection: already 103 asked/answered | MAIG chapter 5.4; FAQ 15 and 16 | | x-cutting | Materiality assessment - stakeholder groups | Are there stakeholder groups that are mandatorily to be consulted? | ESRS 1 chapter 3.1 Stakeholders and their relevance ...; MAIG chapter 5.4 | | Professional Services | Finland |
| 5d - rejection: already 117 asked/answered | ID 1 | | x-cutting | Gross or net (impact) materiality | Do we have to consider net or gross risk in the materiality assessment? Will a "may"-disclosure be mandatory to disclose, if the datapoint is material? And vice-versa can a "shall"-disclosure be omitted if the datapoint is not material? The question is; what relevance has "shall" and "may" after materiality assessments was included by the European Commission? | materiality assessment | Clarification in FAQ 23 of the MAIG | Health Care and Services | Germany |
| 5d - rejection: already 133 asked/answered | MAIG chapters 2.3 & 2.4 | | x-cutting | Voluntary / Mandatory requirements | | ESRS 1 paragraph 18 | MAIG par 49, 54 and 55 | Professional Services | Denmark |
| 5d - rejection: already 134 asked/answered | MAIG FAQ 22 | | x-cutting | Group active in different sectors | Materiality is reported on at consolidated level for a company that operates and own many different technologies, all within the same entity. However, a topic is deemed material due to one technology, while the same topic is immaterial for another technology. Can you scope out this topic for the technology where its immaterial, while report only the metrics on the technology where it is material? | ESRS 1 paragraph 104 | Question answered in the draft MAIG sections 3.6 and 3.7 Setting thresholds for impact materiality and financial materiality - therefore could be rejected | Not applicable | Norway |
| 5d - rejection: already 163 asked/answered | MAIG chapters 3.6 and 3.7 | | x-cutting | Universal thresholds? | Are there universal thresholds for impact and financial materiality? If not, how can we avoid changing the final list of material sustainability matters? | ESRS 1 | | Professional Services | Netherlands |

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| 5d - rejection: already 183 asked/answered | MAIG chapter 2.2 par 44 | x-cutting Relationship of IROs with (sub-)/sub- topics | We must achieve double materiality on matters defined as topics, sub topics or sub sub topics defined in the ERS E1 to G1. To what extent can we perform materiality assessment on sub-topic and with results directly characterize these matters as IROs ? | ESRS 2 IRO-1; MAIG chapter 2.2 | rejection (already answered) MAIG chapter 2.2 (current para 44) you need to identify IROs for (sub-)/sub-sub-topics | Professional Services | France |
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