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IG 3: Summary of changes

Cover note

Objective of the document

1. The EFRAG Secretariat has analysed and summarised the responses received in the course of the public consultation on the *[Draft] EFRAG IG 3: List of ESRS datapoints*.
2. Following the strategic direction provided by EFRAG SRB, the EFRAG Secretariat amended the *[Draft] EFRAG IG 3: List of ESRS datapoint* according to the feedback received.
3. The present document summarises the main changes to the *[Draft] EFRAG IG 3: List of ESRS datapoint* for approval by EFRAG SRB.
4. The abbreviation “DP” will be used to represent the term “datapoint” in this document.

Structure of the paper

5. This comment letter analysis contains:
 - (a) Background;
 - (b) Summary of public comments;
 - (c) Summary of the reaction to the comments;
 - (d) Summary of the main changes to the datapoint list;
 - (e) Screenshot of the updated *[Draft] EFRAG IG 3: List of ESRS datapoints*
 - (f) Next steps;
 - (g) Questions for EFRAG SRB;

Background

6. On 22 December 2023, EFRAG published its first three draft ESRS Implementation Guidance documents with a deadline for public feedback of 2 February 2024. The documents are non-authoritative and support the implementation of ESRS.
7. *The [Draft] EFRAG IG 3: List of ESRS datapoints* presents in an Excel format the complete list of all disclosure requirements in sector agnostic standards. The Excel file covers all the standards, except ESRS 1 *General Requirements*, as it does not set specific disclosures. *The [Draft] EFRAG IG 3: List of ESRS datapoints* is aimed at supporting undertakings in their preparation of the first sustainability statement according to the ESRS.
8. *The [Draft] EFRAG IG 3: List of ESRS datapoints* has been accompanied by an explanatory note, explaining the methodology for implementing the data point list and its relationship with the ESRS Set 1 Draft XBRL Taxonomy.

9. On 20 March 2024, EFRAG SRB approved the strategic direction proposed by the EFRAG Secretariat with regards to the amendments to the *[Draft] EFRAG IG 3: List of ESRS datapoints*.
10. On 21 March 2024, the EFRAG Secretariat presented the strategic direction to EFRAG SR TEG, which acknowledged this suggestion.
11. According to this strategic direction then, the EFRAG Secretariat amended the *[Draft] EFRAG IG 3: List of ESRS datapoints*. The main changes are summarised hereinafter.
12. On 11 April 2024, EFRAG SR TEG approved the amended *[Draft] EFRAG IG 3: List of ESRS datapoints*.

Summary of public comments

13. From the 46 responses received, 15 of which also attached comment letters, the EFRAG Secretariat identified 648 unique comments, which it classified in nine categories:
 - (a) rename DP (25%): respondents suggest changing the name (“label”) of the DP, arguing that it did not appropriately reflect the disclosure required by the standards, or pointed out spelling mistakes in the name of the DP.
 - (b) provide more details (19%): respondents suggest providing more details in the DP e.g., a classification, if a DP is only required in certain circumstances (“shall disclose ... where relevant / if applicable / in case of...”), or if certain DPs are alternatives to each other;
 - (c) adjust references (15%): respondents suggest changing references as the DP list has not properly reported the relevant paragraphs or the relevant Application Requirements (AR);
 - (d) add DP (15%): respondents suggest adding a DP not included in the list but which, according to them, would be required by the standards;
 - (e) remove DP (7%): respondents suggest removing a DP as, they argue, the standard does not require such disclosures;
 - (f) adjust phase-in (6%): respondents argue that the phase-in provisions provided require adjustments in the list;
 - (g) classification as voluntary (6%): respondents argue that the proposed classification of a DP as voluntary or mandatory does not appropriately reflect the standards;
 - (h) change data type (4%): respondents suggest changing the data type classification of the DP (i.e. from narrative to monetary);
 - (i) merge DPs (4%): respondents suggest that two or more DPs should be merged.
14. While analysing the comments provided, the EFRAG Secretariat noticed that many respondents used row numbers when referring to DPs. Since this could lead to some confusion if new rows are added or if rows are removed, the EFRAG Secretariat proposed adding a unique identifier to each DP.
15. Overall, the respondents provided useful and detailed comments on specific issues within the datapoint list. No respondent had negative comments on the usefulness of the IG 3 in general. Many respondents explicitly confirmed its usefulness and pointed out further potential improvements, providing detailed feedback.

Summary of the main changes to the datapoint list

16. Following the strategic direction provided by EFRAG SRB in its meeting on 20 March 2024, the EFRAG Secretariat amended the *[Draft] EFRAG IG 3: List of ESRS datapoints*. The main improvements can be summarised as follows:
 - (a) Implementation of hyperlinks between each DP in the list and the corresponding paragraph in the legal text;
 - (b) Creation of a new column identifying conditional and alternative DPs;
 - (c) Inclusion of more specific references to the phase-in provisions, including the year in which a DP becomes mandatory;
 - (d) Inclusion of a unique identifier for each DP, in order to facilitate the references to specific DPs;
 - (e) Other miscellaneous changes to better align the list of datapoints to the ESRS.

Implementation of hyperlinks

17. 25% of the total comments received requested the renaming of DPs. While some of these comments pointed out spelling mistakes in the name, the majority argued that the short description did not fully capture the requirements set out by ESRS.
18. In order to avoid overly long DP names, the EFRAG Secretariat decided to implement hyperlinks between each DP and the corresponding paragraph in the ESRS. In this way, the short label could be maintained, while users requiring more information about specific DPs can use the hyperlink to directly jump to the legal text.

New column for conditional and alternative DPs

19. 19% of the total comments received requested more details regarding the applicability of the DPs.
20. While most requirements in the ESRS apply to every undertaking, some of them only apply in certain circumstances. These DPs often include the wording “if applicable”, “where relevant”, “in case the undertaking ...”, etc.
21. Moreover, sometimes the ESRS provide alternative metrics that, if an undertaking decides to disclose one, is not bound to disclose the others as well.
22. The EFRAG Secretariat added a new column to the excel workbook to identify such conditional and alternative DPs. In this new column, DPs only applicable in certain circumstances are marked with “conditional”, and alternative DPs are marked as “alternative” (e.g. when disclosing the number of employees in ESRS S1.50 a, undertakings may choose to report it at the end of the reporting period or as an average over the reporting period).

More specific references to the phase-in provisions

23. 6% of the comments received requested more specific references to the phase-in provisions. Most of these comments argued that simply pointing out DPs subject to

phasing-in is only of limited value, and that the specific length of the phasing-in period should be included instead.

24. Other comments, moreover, pointed out incomplete or incorrect references to the phase-in provisions, for example in ESRS S1-8 where the phase-in only applies to employees in non-EEA countries, or where the standard allows for only qualitative disclosures in the first three years.
25. The EFRAG Secretariat reviews the phase-in column and included the length of the phase-in period for each DP and provided more specific references to the scope of the phasing-in provision.

Inclusion of unique identifiers

26. While analysing the comments provided, the EFRAG Secretariat noticed that many respondents used row numbers when referring to DPs.
27. Since, with the implementation of the feedback received, new DPs have been added and some DPs have been removed, the references to the row numbers may not be the same anymore.
28. For this reason, the EFRAG Secretariat added a new column with a unique identifier for each DP. This identifier provides a reference to the disclosure requirement and a unique number for each DP therein.

Other improvements

29. The EFRAG Secretariat further improved the *[Draft] EFRAG IG 3: List of ESRS datapoints* by implementing other minor adjustments to the excel workbook, mainly by:
 - (a) Including more specific instruction at the top of each sheet with regards to DPs that have to be reported irrespective of materiality assessment;
 - (b) Including a remark at the top of each sheet that the metrics to be disclosed are not only those explicitly required by ESRS, but also entity-specific ones and those arising from other legislation or standards;
 - (c) Moving the column identifying voluntary DPs closer to the DP name, for better readability;
 - (d) Adding, removing, merging DPs and changing their data type where appropriate;
 - (e) Reclassifying DPs as voluntary or as mandatory, where appropriate; and
 - (f) Reviewing the references to the respective paragraph in the ESRS and to the relevant ARs.
30. All the amendments to the *[Draft] EFRAG IG 3: List of ESRS datapoints* have been made in a way to maintain the consistency with the ESRS Set 1 Draft XBRL Taxonomy.

Summary of the reaction to the comments

31. Out of the 648 comments received, the EFRAG Secretariat, following the strategic direction provided by EFRAG SRB (as reported in the previous section), 49% of the comments resulted in an amendment of the datapoint list. The remaining 51% was either too general to be implemented, not directly related to specific DPs, or not in line with the strategic direction provided by EFRAG SRB.

32. The table below reports the number of comments that affected the datapoint list and those that did not, broken down by category.

	Change	No change	Total	Percentage
Add DP	32	67	99	15%
Change data type	12	13	25	4%
Classification as voluntary	14	27	41	6%
Merge DPs	10	13	23	4%
Phase-in	36	1	37	6%
Provide more detail	49	71	120	19%
References	58	38	96	15%
Remove DP	23	20	43	7%
Rename DP	81	83	164	25%
Total	315	333	648	100%
Percentage	49%	51%	100%	

33. The category that had the most number of comments not implemented is “rename DP”. Most of these comments in fact, proposed to increase the level of detail in the name of the DP in order to better reflect the legal text. The EFRAG Secretariat, by including hyperlinks between the datapoints and the corresponding paragraph in the legal text, already addressed most of the comments raised in this category.
34. The category “provide more detail” also reports a significant number of comments that, due to their too general nature, were not able to be explicitly addressed with respect to specific datapoints.

Statistics on the number of datapoints

35. The following tables presents the changes in the number of datapoints, broken down by “shall” and “may” datapoints. Minimum disclosure requirements are presented in a separate table as they shall be applied together with the corresponding Disclosure Requirements in topical ESRS.
36. In total, the current [Draft] EFRAG IG 3: List of ESRS datapoints has 36 less datapoints when compared to the version published for consultation, of which 24 are “shall” DPs and 2 are voluntary.

“Shall” DPs				Voluntary / “may” DPs
ESRS	Irrespective of MA	Subject to MA	Total	
ESRS 2	-6		-6	
ESRS 2 MDR	+2		+2	
E1		-6	-6	
E2				+1

[Draft] EFRAG IG 3: List of ESRS datapoints – Explanatory Note

E3	-1	+1		-1
E4	-1	+3	+2	
E5	-6	-14	-20	
S1		-4	-4	-3
S2		-1	-1	+1
S3		-1	-1	
S4				
G1				
Total	-12	-22	-34	-2

37. The table below presents the count of conditional and alternative datapoints. Most of these datapoints are conditional, i.e. only applicable in certain circumstances ('if relevant', 'where applicable', etc.)

Conditional and alternative datapoints			
ESRS	Conditional	Alternative	Total
ESRS 2	26		26
E1	55		55
E2	8	3	11
E3	2		2
E4	41		41
E5	1		1
S1	26	6	32
S2	11		11
S3	12		12
S4	10		10
G1	8		8
Total	200	9	209

Screenshot of the updated semi-final EFRAG IG 3: List of ESRS datapoints

38. To give an impression of the structure of the updated *semi-final EFRAG IG 3: List of ESRS datapoints*, a screenshot is provided on the last page for illustrative purposes.

Next steps

39. After the approval, the new *EFRAG IG 3: List of ESRS datapoints* will be amended, if necessary, considering any further inputs by EFRAG SRB, and will then be officially published.

Question for EFRAG SRB

Question for EFRAG SRB

Does EFRAG SRB approve the amended and improved *[Draft] EFRAG IG 3: List of ESRS datapoints*?

Agenda papers

40. In addition to this cover note, agenda paper for this session is:
- (a) Agenda paper 04-02_New Draft EFRAG IG 3 DPs explanatory note

[Draft] EFRAG IG 3: List of ESRs datapoints – Explanatory Note

O25

DISCLAIMER
Prefinal Draft subject to Approval from EFRAG SRB [still subject to change]

INSTRUCTIONS

- 1) The DPs reported in ESRs E4 are subject to Materiality Assessment.
- 2) With the exception of DPs in IRO1 (E4.IRO-1_01-16) that are to be disclosed irrespective of the outcome of its materiality assessment [ESRS 1 par. 29], none of these DPs is applicable if the topic is not material.
- 3) Not all DPs are to be reported if the undertaking has not adopted the respective policies, implemented the respective actions or set the respective targets in relation to a sustainability matter that has been assessed to be material [see ESRS 1 par. 33].
- 4) Undertakings or groups **not exceeding on their balance sheet dates the average number of 750 employees during the financial year** (on a consolidated basis where applicable) **may omit all the DPs** reported in ESRs E4 [other than IRO 1] for the first 2 years of preparation of their sustainability statement [see ESRS 1 Appendix C: List of phased-in Disclosure Requirements]. If E4 is material, the undertaking shall nevertheless disclose DPs reported under par. 17-BP2 of ESRS 2.
- 5) Column L identifies DPs subject to phased-in [see Appendix C of ESRS 1].
- 6) Metrics to be disclosed, in addition to the ones explicitly required by ESRS, also include entity-specific ones, as well as those arising from other legislation or standard

ID	ESRS	DR	Paragraph	Related AR	Name	Data Type	Conditional or alternative DP	May [V]	Appendix B - ESRS 2 (SFDR + PILLAR 3 + Benchmark + CL)	Appendix C - ESRS 1 DPs subject to phasing-in provisions applicable to undertaking with less than 750 employees	Appendix C - ESRS 1 DPs subject to phasing-in provisions applicable to all undertakings
2											
3	E4.SBM-3_01	E4	E4.SBM-3_16 a		List of material sites in own operation	narrative				2 years	
4	E4.SBM-3_02	E4	E4.SBM-3_16 a i)		Disclosure of activities negatively affecting biodiversity sensitive areas	narrative			SFDR	2 years	
5	E4.SBM-3_03	E4	E4.SBM-3_16 a ii)		Disclosure of list of material sites in own operations based on results of identification and assessment of actual and potential negative impacts	narrative				2 years	
6	E4.SBM-3_04	E4	E4.SBM-3_16 a iii)		Disclosure of biodiversity-sensitive areas impacted	narrative				2 years	
7	E4.SBM-3_05	E4	E4.SBM-3_16 b		Material negative impacts with regards to land degradation, desertification or soil sealing have been identified	semi-narrative			SFDR	2 years	
8	E4.SBM-3_06	E4	E4.SBM-3_16 c		Own operations affect threatened species	semi-narrative			SFDR	2 years	
9	E4.IRO-1_01	E4	E4.IRO-1_17 a	AR 4-AR 9	Disclosure of whether and how actual and potential impacts on biodiversity and ecosystems at own site locations have been identified	narrative				2 years	
10	E4.IRO-1_02	E4	E4.IRO-1_17 b	AR 8	Disclosure of whether and how dependencies on biodiversity and ecosystems and their services have been identified	narrative				2 years	
11	E4.IRO-1_03	E4	E4.IRO-1_17 c	AR 9	Disclosure of whether and how transition and physical risks and opportunities related to biodiversity and ecosystems have been identified	narrative				2 years	
12	E4.IRO-1_04	E4	E4.IRO-1_17 d	AR 9	Disclosure of whether and how systemic risks have been considered (biodiversity and ecosystems)	narrative				2 years	
13	E4.IRO-1_05	E4	E4.IRO-1_17 e		Disclosure of whether and how consultations with affected communities on sustainability assessments of shared infrastructure have been conducted	narrative				2 years	
14	E4.IRO-1_06	E4	E4.IRO-1_17 e i)		Disclosure of whether and how specific sites, raw materials production or sourcing with negative or potential negative impacts have been identified	narrative				2 years	
15	E4.IRO-1_07	E4	E4.IRO-1_17 e ii)		Disclosure of whether and how communities were involved in materiality assessment	narrative				2 years	
16	E4.IRO-1_08	E4	E4.IRO-1_17 e iii)		Disclosure of whether and how negative impacts on priority ecosystem services of relevance to affected communities have been identified	narrative				2 years	
17	E4.IRO-1_09	E4	E4.IRO-1_17 e iii)		Disclosure of plans to minimise unavoidable negative impacts and implement mitigation measures that aim to change the nature and extent of impacts	narrative		V		2 years	
18	E4.IRO-1_10	E4	E4.IRO-1_18		Disclosure of whether and how the business model (1) has been verified using range of biodiversity and ecosystems related risks and opportunities	narrative		V		2 years	
19	E4.IRO-1_11	E4	E4.IRO-1_18 a		Disclosure of who considered scenarios were taken into consideration	narrative	Conditional	V		2 years	
20	E4.IRO-1_12	E4	E4.IRO-1_18 b		Disclosure of how considered scenarios are updated according to evolving conditions and emerging trends	narrative	Conditional	V		2 years	
21	E4.IRO-1_13	E4	E4.IRO-1_18 c		Scenarios are informed by expectations in authoritative intergovernmental instruments and by scientific consensus	semi-narrative	Conditional	V		2 years	
22	E4.IRO-1_14	E4	E4.IRO-1_18 a	AR 7d	Undertaking has sites located in or near biodiversity-sensitive areas	semi-narrative				2 years	
23	E4.IRO-1_15	E4	E4.IRO-1_18 a	AR 7d	Activities related to sites located in or near biodiversity-sensitive areas negatively affect these areas by leading to land degradation, desertification or soil sealing	semi-narrative				2 years	
24	E4.IRO-1_16	E4	E4.IRO-1_18 b		It has been concluded that it is necessary to implement biodiversity mitigation measures	semi-narrative				2 years	
25	E4-L_01	E4	E4-1_13 a	AR 1-AR 3	Disclosure of resilience of current business model(s) and strategy to biodiversity and ecosystems-related physical risks	narrative				2 years	
26	E4-L_02	E4	E4-1_13 b	AR 1-AR 3	Disclosure of scope of resilience analysis along own operations and related upstream and downstream value chains	narrative				2 years	
27	E4-L_03	E4	E4-1_13 c	AR 1-AR 3	Disclosure of key assumptions made (biodiversity and ecosystems)	narrative				2 years	
28	E4-L_04	E4	E4-1_13 d	AR 1-AR 3	Disclosure of time horizons used for analysis (biodiversity and ecosystems)	narrative				2 years	
29	E4-L_05	E4	E4-1_13 e	AR 1-AR 3	Disclosure of results of resilience analysis (biodiversity and ecosystems)	narrative				2 years	
30	E4-L_06	E4	E4-1_13 f	AR 1-AR 3	Disclosure of involvement of stakeholders (biodiversity and ecosystems)	narrative				2 years	
31	E4-L_07	E4	E4-1_15	AR 1-AR 3	Disclosure of whether and how the business model and strategy have been verified using range of biodiversity and ecosystems related risks and opportunities	narrative		V		2 years	
32	E4-L_08	E4	E4-1_AR 1a		Explanation of how strategy and business model will be adjusted to improve and, ultimately, achieve alignment with the Paris Agreement	narrative		V		2 years	
33	E4-L_09	E4	E4-1_AR 1b		Disclosure of whether and how the business model and strategy have been verified using range of biodiversity and ecosystems related risks and opportunities	narrative		V		2 years	
34	E4-L_10	E4	E4-1_AR 1c		Explanation of how business strategy interacts with transition plan	narrative		V		2 years	
35	E4-L_11	E4	E4-1_AR 1d		Disclosure of contribution to impact drivers and possible mitigation actions following mitigation hierarchy and materiality assessment	narrative		V		2 years	
36	E4-L_12	E4	E4-1_AR 1e		Explanation and quantification of investments and funding supporting the implementation of its transition plan	narrative		V		2 years	
37	E4-L_13	E4	E4-1_AR 1f		Disclosure of objectives or plans for aligning economic activities (revenues, L capex)	narrative		V		2 years	
38	E4-L_14	E4	E4-1_AR 1g		Biodiversity objectives are part of transition plan	narrative		V		2 years	
39	E4-L_15	E4	E4-1_AR 1h		Information about how process of maintaining and updating transition plan is managed	narrative		V		2 years	
40	E4-L_16	E4	E4-1_AR 1i		Indication of metrics and related tools used to measure progress that are integrated in measurement approach (biodiversity and ecosystems)	narrative		V		2 years	
41	E4-L_17	E4	E4-1_AR 1j		Administrative, management and supervisory bodies have approved transition plan	narrative		V		2 years	
42	E4-L_18	E4	E4-1_AR 1k		Indication of current challenges and limitations to draft plan in relation to areas of significant impact and actions to be taken	narrative		V		2 years	
43										2 years	
44	E4-2_01	E4	E4-2_23 a		Disclosure on whether and how biodiversity and ecosystems-related policies relate to matters reported in E4 AR 4	narrative				2 years	
45	E4-2_02	E4	E4-2_23 b		Explanation of whether and how biodiversity and ecosystems-related policies relate to material biodiversity and ecosystems-related risks and opportunities	narrative				2 years	

Index ESRs 2 ESRs 2 MDR ESRs E1 ESRs E2 ESRs E3 ESRs E4 ESRs E5 ESRs S1 ESRs S2 ESRs S3 ESRs S4 ESRs G1 +