DETAILED FEEDBACK ON THE REVISED ESRS DRAFT

Disclosure Requirement	Paragraph	Concerns and Suggestions
ESRS 1	4	CHANGE: "Users of general-purpose sustainability statements" too broadly defined; or in other words: missing definition of "primary users" of sustainability statements.
ESRS 1	4 AR1	CHANGE: Since no primary user of sustainability statements have been defined in the Draft Simplified ESRS, it will be impossible for undertakings to satisfy the needs of all users. Without clear boundaries, undertakings and their auditors will struggle to determine if their reports meet the information needs of all potential users. ESRS should focus on decision-usefulness for primary users.
ESRS 1	23 (b)	CHANGE: The auditors and consequently the preparers require clear boundaries to contain the currently unlimited flexibility of other users and their interests. Without clear boundaries, undertakings and their auditors will struggle to determine if their reports meet the information needs of all potential users. It rases legal uncertainties when all possible information that is expected to influence the users must be reported. Only information that materially influence the user is material information. Therefore, the word “materially” should be included. While ESRS 1 para. 23(a) clearly defines the interest of financial market users as ‘relating to providing resources to the undertaking,’ there is no comparable specification in ESRS 1 para. 23(b). Therefore ESRS 1 para. 23 (b) should be adapted as follows: (b) decisions, ~~including informed assessments~~, that other users of ‘general-purpose’ sustainability statements make based on the sustainability statement ~~regarding the undertaking’s material impacts, risks and opportunities and how the undertaking manages them relating to preparing informed assessments~~. relating to preparing informed assessments. Additionally a phrase, making clear that not all specific information is needed to be provided, should be included:

		When considering the decision-usefulness of information the undertaking is not required to aim to meet all the specific information needs of each individual user, but to consider the sustainability statements as a whole.
ESRS 1	32 (b), AR 16 53, AR 34	DELETE: ESRS 1 para. 32 (b) and AR 16 put an unbalanced focus on the geographical dimensions of impacts and "the specific context of the geography" for the double materiality assessment, which goes far beyond set 1 ESRS requirements. Adding geographies to the double materiality analysis requires undertakings to conduct the materiality assessment at the level of its subsidiaries. Disaggregation leads to additional granularity and information overload. For undertakings with activities in various countries, there will always be "significant variations" at the most granular level – i.e., location or asset level. No single asset or single location will always have the exact same impacts, risks, and opportunities as other assets or locations. ESRS 1 para. 32 (b) and AR 16 for para. 32 (b) as well as ESRS 1 para. 53, AR 34 for para. 53 should be removed in their entirety.
ESRS 1	43; AR 28	DELETE: ESRS 1 para. 43 and AR 28 introduces a new principle concerning 'prevention, mitigation and remediation policies and actions in the materiality assessment' and their connection to impacts. This new principle could cast doubt on operating permits or product approvals and should therefore be deleted.
ESRS 1	55	DELETE: Para. 55 requires disaggregated reporting when there are significant differences between material impacts, risks or opportunities at group level and those of individual subsidiaries. Although (103) suggests that this provision already existed in ESRS Set 1, it has been significantly amended. The focus should remain on consolidated reporting; therefore, the previous wording 'adequate description of IROs' should be retained or (103) should be deleted. Disaggregating could lead to auditors and selected stakeholders expecting reporting on subsidiary level which is not foreseen (see ESRS 1 56 (101)) and would overburden preparers.
ESRS 1	92	DELETE: ESRS 1 para. 92 allows undertakings to "exclude joint operations over which it does not have operational control". ESRS 1 para. 92 also requires undertakings to "disclose the actions it has taken to increase the coverage and quality of reported information in future periods". The requirement "disclose the actions it has taken to

		increase the coverage and quality of reported information in future periods" contradicts the relief of not reporting about joint operations and hence, should be deleted accordingly.
ESRS 1		CHANGE: We propose the use of "should not" instead of "shall not". The use of "shall not", while seemingly providing additional cover for reporting entities against questions from stakeholders, opens liabilities on reporting entities should their judgement inappropriately identify immaterial matters as material. As a number of IROs are not going to be clearly material or clearly immaterial, it leads to the question on how much liability companies should have when making elections on IROs that are in the middle. Prefer "should not" as that provides more flexibility and less risk for middle leaning IROs.
ESRS 2	12 AR 5	DELETE: ESRS 2 Para. 12 AR5 includes the due diligence as new requirements. Due diligence within the management of IROs introduces a level of granularity that is not required under the current ESRS, particularly not under GOV-1. This creates inconsistency and significantly increases complexity and reporting burden, which is contrary to the objective of simplifying the ESRS.
ESRS 2	20(c)	DELETE: Maintaining the requirement to disclose sector classifications no longer appears justified once sector-specific ESRS standards have been abandoned under the Omnibus proposal. The original rationale for these disclosures was to link reporting obligations to future sector-specific standards. Without such standards, the mandatory sector breakdown creates additional reporting complexity without delivering meaningful regulatory or informational value.
ESRS 2	27-32	CHANGE: The disclosure requirement governs the provisions on anticipated financial effects. There is no clear methodology to calculate anticipated financial effects, which makes the shared information being not aligned with the Qualitative characteristics of information in ESRS 1 - Appendix B) and it won't be comparable to other companies. Furthermore, the anticipated financial effects are an integral part of the financial statements, like the statement of financial position, the statement of financial performance, the statement of changes in equity, and the cashflow statement. Para. 28 of ESRS 2 (TA) introduces an exemption from

		providing quantified disclosures on current and anticipated financial impacts when these cannot be clearly distinguished. While this may seem practical, experience shows that it almost always results in the absence of quantitative data. Even when short-term financial effects can be estimated, attributing them specifically to sustainability issues or individual aspects is rarely feasible. This is because financial planning is typically integrated and holistic, without assigning impacts to sustainability topics. For instance, most planned investments are driven by a mix of sustainability and other strategic considerations, making clear separation impossible.
ESRS 2	33	DELETE: Disclosing a qualitative analysis of its resilience to the material risks should be part of the materiality analysis and should not be disclosed in ESRS 2 as a duplicate. Our recommendation is to delete this DR in ESRS 2.
ESRS E1	22 (b)	CHANGE: While a breakdown of Scope 1 & 2 GHG emission reduction by decarbonization lever is a reasonable request, a breakdown of achieved Scope 3 GHG emission reduction by decarbonisation lever is simply not possible. The accounting of Scope 3 GHG emissions is by far not yet advanced to capture actual emission reductions by decarbonisation lever. As Scope 3 emissions often include estimates, a further breakdown would also increase the level of complexity and estimates both in reporting and auditor's actions. This does neither support stakeholders´ interests nor the approach to reduce the already high complexity of ESRS reporting standards. Therefore, ESRS E1 21 (b) should be made specific only for those GHG emissions which a company controls and for which the GHG accounting is more mature (which is Scope 1 and Scope 2 GHG emissions).
ESRS E1	24 AR 12	DELETE: "The GHG emission reduction targets shall be gross targets, meaning that the undertaking shall not include GHG removals, carbon credits or avoided emissions as means of achieving the GHG emission reduction targets." This sentence doesn't make sense because GHG removals e.g. by CC(U)S are part of a business strategy and integral part of the GHG inventory. Thus, these removals should also be included in targets.

ESRS E1	24 (b) AR 14	DELETE: For companies with huge assets such as power plants or combustion plants the baseyear for targets should not be changed and adapted in such short terms/ be recent or adapted for the first reporting year, because changes for assets can take up to 10 years from planning, permit, construction to operations. It should be allowed to take an individual appropriate base year for the undertaking.
ESRS E1	29 and 30 AR 20	DELETE: "Removals" GHG removals e.g., by CC(U)S are part of a business strategy and integral part of the GHG inventory. Thus, these removals should also be included in targets.
ESRS E1-11	40-41	DELETE: As stated for ESRS 2 27-32, there is no clear methodology to calculate anticipated financial effects. As IFRS S1 and S2 themselves lack a clearly defined concept and do not provide sufficient clarity, we recommend that EFRAG and the ISSB jointly explore what a meaningful, consistent, and practical definition and methodology could look like. A strong focus on preparers in developing practical guidance is essential to ensure the feasibility, acceptance, and overall usefulness of such disclosures going forward. The disclosure requirements set out in ESRS E1-11 go significantly beyond those in IFRS S1 and S2 regarding anticipated climate-related financial effects. They introduce additional data points that materially increase the reporting burden, are unlikely to provide decision-useful information for users of sustainability statements, and are not aligned with international standards. Accordingly, all data points in E1-11 that exceed the scope of IFRS S1 and S2 should be removed (e.g., E1-11, para. 40 and 41).
ESRS E2	16	DELETE: In ESRS E2-4 para. 16 are no standardized sampling procedures, officially recognized analysis methods, or clear limit values set by authorities or legislators for wastewater emission measurements. Furthermore, there are different analysis method of microplastics in terms of particle size.
ESRS E2	15; AR 2	CHANGE: In ESRS E2-4 para. 15 AR 2 PRTR and "other pollutants that the undertaking measures or monitors" are an input for materiality assessment. This could lead to extensive effort for monitoring and tracking of each and every pollutant globally, just to have a basis for the decision which pollutant might be material (and therefore

		should be disclosed). This is not feasible. Furthermore, this will result in extensive discussions with auditors about scope and materiality. It should be clearly defined which pollutants are in scope of this DR.
ESRS E2	18 & 19; AR 4	DELETE: EFRAG proposes in its Technical Advice to include sector-specific disclosure requirements. According to para. AR 4 of ESRS E2, certain disclosures regarding substances of concern and substances of very high concern are only required for undertakings operating in the chemical sector, as defined by reference to the NACE regulation (e.g., NACE Rev. 2.1 C20, C21, C20.3, C20.4, C20.5, and others).While we understand that the rationale behind this proposal may be to avoid imposing additional reporting obligations on companies outside the chemical sector, we consider this approach inconsistent with the revised Accounting Directive, which removes sector-specific reporting requirements.
ESRS E2	18; 19	DELETE: Chemical diversity is a basic prerequisite for innovative solutions und certain intrinsic properties of substances are often inevitably linked to the substance's function. Thus, hazard properties as such are not suitable for any judgement on a company's sustainability efforts. The decisive point is the safe handling of chemicals via proper risk management. Thus, also sustainability reporting should have a risk rather than a hazard-based focus. In addition, sustainability reporting should itself follow a sustainable approach with respect to resources needed and significance of data reported. This means efforts should focus on decisive parameters not on reporting as much parameters as possible. Parameters like volumes of substances manufactured/imported/used per hazard class are hazard based data that as such do not inform whether a company acts in an environmentally sustainable manner. Rather, the disclosed information should be put into context and explain why SoCs and SVHCs are being used and how a company is taking over responsibility with regard to its use. ESRS E2-5 18 and 19 asks for the total weights of SoCs and SVHC procured or manufactured as substances on their own or in mixtures. Those requirements place companies in a position of unavoidable legal conflict, effectively forcing them to decide whether to breach the ESRS

		or competition law. Based on the substances reported, it would be possible to deduce approximate tonnage volumes of individual substances, gain insights into procurement and sales markets, and derive confidential business information that is protected under competition and trade-secret regulations. These risks are further magnified by the widespread availability of advanced combinatorial analytics and AI-driven data-mining tools, which are capable of aggregating and interpreting publicly accessible datasets with high precision. Consequently, the requirements should not be implemented in its current forms. One way to implement the requirement so that the companies are able to fulfill it without putting them in a position of unavoidable legal conflict would be to change the text as follows: Manufacturers of substances, formulators of substances mixtures or importers of substances, whether on their own or in mixtures, shall disclose the total weight of SoCs and separately, the total weight of SVHC: a. Introduced into their operations being either procured or manufactured as substances on their own or in mixtures; and b. that leave its facilities as direct releases, as products, or as parts of products.
ESRS E2	18; 19; 18 & 19 AR 5	DELETE: ESRS E2-5 para. 18 and 19 requires reporting the total number of Substances of High and Very High Concern. However, when allocating substances to individual hazard classes, double counting is unavoidable, as most Substances of Concern (SOCs) and Substances of Very High Concern (SVHCs) fall under multiple hazard classes. Application Requirement 5 additionally specifies that substances should not be counted more than once when they are attributed to different hazard classes for the purpose of reporting the total number. At the same time, it remains unclear which hazard classes must be included in this total. As a result, the requirement cannot be implemented in a consistent or comparable manner until the underlying definitions or guidance are clarified, and should therefore be deleted. As long as the definitions or guidance remain unclear, we advocate for deleting the requirement to report the total number.

		With regard to applicability ESRS E2-5 para. 18 and 19 AR 5 should be added as follows: Undertaking reporting under para. 18 and 19 shall present SVHC grouped by hazard class (as per CLP Regulation 1272/2008/EC) under consideration of applicable thresholds according to CLP regulation.
ESRS E2	20 and 20; AR 8	CHANGE: Para. 20 of ESRS E2-5 requires an undertaking to disclose the names of the substances of very high concern that are present in a concentration above 0.1% weight by weight, as per Article 33 of Regulation (EC) No 1907/2006 (REACH). The requirements proposed in para. 20 and AR 7 represent a substantial expansion of reporting obligations compared to the current Delegated Act, as in the current Delegated Act ESRS E2-5 does not mandate disclosure of the complete REACH lists. In addition, reporting requirements for the management report should not lead to disclosures that are already publicly accessible from other sources. The information may refer to information the undertaking is already required to report under other legislation according to para. AR 7, including the Industrial Emissions Directive (IED, 2010/75/EU) and the E-PRTR (European Pollutant Re-lease and Transfer Register, Regulation (EC) No 166/2006). Moreover, we therefore recommend that the European Commission take into account the information available through the ECHA CHEM and SCIP database. Further, this requirement forces companies to analyse all their purchased indirect materials, including even the smallest quantities for analysis, sampling and R&D for the presence of all SVHCs. Further, mandatory communication of SVHC in articles is after all EU-specific. For articles produced and placed on the market outside EU, only the manufacturer in non-EU reasonably has the required information that could be reported when the manufacturing company is an affiliate of a globally acting and reporting company.
ESRS E3	13	CHANGE: The previously voluntary disclosure of specific actions and resources related to water stress is transformed into a mandatory requirement under the revised ESRS. This constitutes a substantive expansion of the disclosure obligations and contradicts the stated objective of the revision to reduce complexity and improve practicability.

ESRS E3	16 AR 4	CHANGE: The requirement to determine water consumption based on a water balance is new. Given the significant effort associated with this approach, alternative methods for determining water consumption that are well established in practice should also be permitted.
ESRS E5	13	CHANGE: The draft refers to various categories of raw materials, including “critical raw materials,” “strategic raw materials,” “key materials,” and “secondary raw materials. There is no clear-cut definition of ‘key materials’ and a threshold leading to legal uncertainty. Every company may define this differently. Further, reporting and precise descriptions on "strategic raw materials" is not about ESG/sustainability reporting. Reporting must not be used as vehicle for data-collection for geostrategic questions of the European Union.
ESRS S1	6	DELETE: The sub-sub-topic level has been removed, which means that very diverse topics now have to be considered together within the sub-topics for the DMA (without the option to open the sub-sub-topic level). These combinations cannot be meaningfully assessed. This is especially true for the sub-topic “working conditions.” This would trigger the disclosure of additional metrics, such as work-life balance, and increase the “reporting burden” for S1.
ESRS S1	7	CHANGE: The definition of “non-employees” has become even more unclear. Which groups are meant to be included? What falls under S1 and what under S2? For S1, we interpret it to mean “agency workers” (i.e., people employed by third parties engaged in employment activities) and “freelancers” (i.e., self-employed persons). Now, the definition is becoming “blurred” by the use of the term “contractors,” which we have so far classified as value chain workers.
ESRS S1	29 AR 20	CHANGE: The adequate wage benchmark used for comparison in the EU might be difficult for companies in Germany, because currently the German minimum wage is below EU regulations, which makes it difficult for companies to set a correct benchmark value. Suggestion to add a sentence that if national law differs to EU regulation the national benchmark shall be disclosed with the remark that it differs from EU legislation.

ESRS S1	20	CHANGE: There is a mismatch between DR 20 and AR 9 Table 2: • DR 20 requires disclosure of the number of employees (headcount) for each country where the company has 50 or more employees, limited to the ten largest countries by workforce size. • AR 9 Table 2, however, refers to countries with 50 or more employees that also represent at least 10% of the company's total workforce. The change in the country definition form the current ESRS (from min.10% of workforce to largest 10 countries) in ESRS S1-5 might lead to an overrating of countries that are not significant for the undertaking (in particular referring to DRs that are following to this definition e.g. collective bargaining). This might lead to high effort for in fact small countries for bigger multinational companies. Therefore, we recommend aligning the threshold of DR 20 with the current ESRS and Table 2 of AR 9.
ESRS S1	6 (f)); 42; 43 (b); 43 (c); 43 (b) AR 36; 43(a) AR 37; 43 AR 39	CHANGE: The disclosure requirements no longer refer only to "severe human rights issues and incidents" compared to the current Delegated Act but to "substantiated human rights incidents". It is unclear what "substantiated" human rights incidents are. Therefore, the term "severe" is of utmost importance to clearly support both companies and auditors in categorizing the respective cases as the term is internationally defined. We further advocate that disclosure requirements concerning judicial and non-judicial proceedings be strictly confined to those culminating in a final and binding court ruling. Absent this limitation, the scope of disclosure relating to alleged discrimination and other human rights abuses would become excessively expansive and risk encompassing unverified claims.
ESRSE S1	35 (e)	CHANGE: 37 (e) number of lost days due to work-related ill health is very difficult up to impossible to record, since on sick leave certificates the reason is not noted due to privacy reasons.
ESRS S2	19 & 19 AR 6	CHANGE: The disclosure requirements no longer refer only to "severe human rights issues and incidents" compared to the current Delegated Act but to "substantiated human rights incidents". It is unclear what "substantiated" human rights incidents are. Therefore, the term "severe" is of utmost importance to clearly support both

		companies and auditors in categorizing the respective cases as the term is internationally defined. We further advocate that disclosure requirements concerning judicial and non-judicial proceedings be strictly confined to substantiated cases—namely, those culminating in a final and binding court ruling. Absent this limitation, the scope of disclosure relating to alleged discrimination and other human rights abuses would become excessively expansive and risk encompassing unverified claims.
ESRS S3	17 & 17 AR 7	CHANGE: The disclosure requirements no longer refer only to “severe human rights issues and incidents” compared to the current Delegated Act but to “substantiated human rights incidents”. It is unclear what “substantiated“ human rights incidents are. Therefore, the term “severe” is of utmost importance to clearly support both companies and auditors in categorizing the respective cases as the term is internationally defined. We further advocate that disclosure requirements concerning judicial and non-judicial proceedings be strictly confined to substantiated cases—namely, those culminating in a final and binding court ruling. Absent this limitation, the scope of disclosure relating to alleged discrimination and other human rights abuses would become excessively expansive and risk encompassing unverified claims.
ESRS S4	16 & 16 AR 5	CHANGE: The disclosure requirements no longer refer only to “severe human rights issues and incidents” compared to the current Delegated Act but to “substantiated human rights incidents”. It is unclear what “substantiated“ human rights incidents are. Therefore, the term “severe” is of utmost importance to clearly support both companies and auditors in categorizing the respective cases as the term is internationally defined. We further advocate that disclosure requirements concerning judicial and non-judicial proceedings be strictly confined to substantiated cases—namely, those culminating in a final and binding court ruling. Absent this limitation, the scope of disclosure relating to alleged discrimination and other human rights abuses would become

		excessively expansive and risk encompassing unverified claims.
ESRS G1	5 (a)	DELETE: Business conduct should not include aspects of animal welfare, especially because there are no other DR's in regards to animal welfare.
ESRS G1	12	CHANGE: It should be stated that it is ok, if processes to respond to allegations or incidents should only be described once for all kind of incidents e.g. human rights, discrimination, corruption & bribery. Furthermore, metrics for all kind of incidents should also state only once in a clearly arranged way.
ESRS G1	14;15	CHANGE: It should be added that a reference to the EU transparency register or national transparency register is sufficient to fulfill this DRs, if the data is available in the register.
ESRS G1	18	CHANGE: There is no common definition for main category. Please delete the term main category and add options for the undertaking for differentiation of categories, countries, or other criteria
ESRS Annex II	Definition of microplastics	CHANGE: An extension of the definition of microplastics under the ESRS to include synthetic polymer microparticles (SPM) as defined in Regulation (EU) 2023/2055 is not appropriate. SPM constitute a deliberately broader regulatory concept that encompasses not only plastics but also other synthetic polymers which, by their material characteristics, cannot be classified as plastics. Microplastics, by contrast, should explicitly be limited to plastic particles, in line with established scientific, regulatory and societal understanding. Equating microplastics with SPM would unduly broaden the scope of the ESRS, introduce conceptual ambiguity, and undermine the clarity, comparability and decision-usefulness of sustainability reporting.
ESRS Annex II	Definition of „water stress“	CHANGE: The revised definition of “water stress” goes beyond physical availability by including water quality and accessibility. This blurs distinct concepts, reduces measurability and comparability, and deviates from established quantitative approaches (e.g. WRI Aqueduct); therefore, water stress should remain focused on physical water availability, with other aspects addressed separately.

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