

ESRS E4: EFRAG SECRETARIAT ANALYSIS OF THE INDIVIDUAL DRs

DR	DR Name	Avg RAR	Key outcome of the consultation	CSRD ref.	DR including AGs - fair representation incl. characteristics of quality?	Relevant across sectors?	Alignment with international standards?	Operational complexity?	Always Material?	Possible Simplification	Prioritisation Phase in of recommendation
E4 - 1	Transition plan in line with the targets of no net loss by 2030, net gain from 2030 and full recovery by 2050	Average RAR of 51%	1/DR could be moved to sector specific 2/Alignment with EU Biodiversity Strategy and Post 2020 Biodiversity Strategy 3/Lack of clarity in DR 4/Scope on value chain unclear 5/Difficulty in obtaining data (especially along the value chain) 6/Lack of flexibility	Not a direct reference to biodiversity net loss (except for recital 1), however biodiversity is a sustainability matter to be covered and action plans are a reporting area to be covered	RAR of 55% with strong opposition from Other financial Market Participant, including pension funds and other asset managers (0%), NFC with securities listed outside EU regulated markets (0%), Unlisted NFC (0%), BA (16%), Insurance (17%) DR and AGs respect quality characteristics. Add AG on Convention	No, with a RAR of 38%. Disagreement from National Standard Setter (0%), NFC with securities listed outside EU regulated markets (0%), Unlisted NFC (0%), BA (16%), Insurance (17%) DR could potentially be moved to sector specific	41% RAR with disagreement from Banks (0%), Insurances (0%), NFC with securities listed outside EU regulated markets (0%), Unlisted NFC (0%), BA (7%), NFC with securities listed on EU regulated markets (17%). Strong support from Academic/Research Institutions (100%). Alignment depends on evolution of frameworks such as the post-2020 Global Biodiversity Framework and EU Biodiversity	1/ Value chain data 2/ Non mature calculation methodology	No, but the Convention Biological Diversity (CBD)-goals will apply to the entire economy net zero. Also, it is likely that many firms underestimate their exposure to biodiversity and ecosystems-related dependencies or are likely only partially aware of their impacts .	1/ Phase in if DR remains at sector agnostic level 2/ Possibility to move to sector specific 3/ Add additional AG on definitions CBD-goals	52% RAR for prioritization with opposition from NFC with securities listed outside EU regulated markets (0%), Unlisted NFC (0%) and BA (11%). Strong support from Academic/Research Institutions (100%). Phase in not needed, if DR is moved to the sector-specific level.

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					Biological Diversity CBD-goals.		Strategy post 2020 (in process).				
E4 – 2	Policies implemented to manage biodiversity and ecosystems	Average RAR of 63%	1/Granularity 2/Relevance to all sectors 3/Lack of clarity of some definitions and metrics 4/High cost and difficulty in obtaining data along the value chain 5/Duplication of Information with other ESRS 6/ Need to align with International Standards that are not finalised. 7/ positive that social impact is integrated.	In CSRD biodiversity is a sustainability matter to be covered and policies are a reporting area to be covered. CSRD recitals (1), (9) and (11)	Yes with RAR of 62% with strong opposition from Other financial Market Participant, including pension funds and other asset managers (0%), NFC with securities listed outside EU regulated markets (0%), NFC with securities listed on EU regulated markets (0%), NFC with securities listed on EU regulated markets (29%), BA (30%). Strong support from Academic/Research Institutions (100%) and Audit firms (88%) E4-2 respects quality characteristics. Suggestions to add some definitions and simplify part of the text.	Yes, with a RAR of 57%. Disagreement from NFC with securities listed outside EU regulated markets (0%), Insurers (17%), BA (25%), NFC with securities listed on EU regulated markets (31%). The DR is relevant across sectors. Disclosures subject to material impacts, dependencies, risks and opportunities.	Partially with 44% RAR with disagreement from Banks (0%), Insurers (0%), NFC with securities listed outside EU regulated markets (0%), Unlisted NFC (0%), BA (6%), NFC with securities listed on EU regulated markets (31%). Strong support from Academic/Research Institutions (100%) and Audit firms (75%). Yes, alignment is respected but TNFD is not yet finalized: adjustments needed, e.g. on definitions.	1/ Value chain data missing (downstream) 2/ Missing definitions 3/ Operational burden	Yes, SFDR PAI indicators 10, 11, 15, 14 1. and 2. of Table 2 of Annex 1	1/ Simplification of text 2/Narrower value chain 3/ Additional definitions	60% RAR for prioritisation with opposition from NFC with securities listed outside EU regulated markets (0%), BA (16%), National Standard Setter (25%), NFC with securities listed on EU regulated markets (25%), Banks (33%). Strong support from Academic/Research Institutions (100%). Recommended to include in Year 1

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E4 – 3	Measurable targets for biodiversity and ecosystems	Average RAR of 61%	1/Lack of flexibility 2/Alignment with international standards that are not finalised 3/Lack of uniformity in measures 4/Relevance of thresholds 5/Definitions missing 6/Need to define interactions with other ESRS	In CSRD biodiversity is a sustainability matter to be covered and targets are a reporting area to be covered. CSRD recitals (1), (9) and (11)	Yes with RAR of 74% with strong opposition from Other financial Market Participant, including pension funds and other asset managers (0%), National Standard Setter (40%). Strong support from Academic/Research Institutions (100%), Public authorities/regulators/supervisors (100%), Audit firms (86%). DR and AGs respect quality characteristics. Suggestions to add some clarifications in definitions.	Yes, with a RAR of 57%. Disagreement from NFC with securities listed outside EU regulated markets (0%), Insurers (17%), BA (25%), NFC with securities listed on EU regulated markets (31%) The DR is relevant across sectors. Disclosures subject to material impacts, dependencies, risks and opportunities.	42% RAR with disagreement from Banks (0%), Insurers (0%), NFC with securities listed outside EU regulated markets (0%), Unlisted NFC (0%), BA (12%), NFC with securities listed on EU regulated markets (23%). Strong support from Academic/Research Institutions (100%). Yes, alignment is respected but TNFD is not yet finalised: adjustments needed.	1/ Lack of data 2/ Non mature methodologies 3/ International frameworks non mature alignment and definitions	No. To be reported if material as a result of materiality assessment of E4 building on ESRS 2 IRO1/ IRO2	1/ Add that if the undertaking has not established targets on biodiversity, it has simply to state so and why (in connection with the outcome of materiality assessment) and if there are plans for the future. 2/Clarifications and alignment of definitions	67% RAR for prioritization with opposition from Insurers (0%), National Standard Setter (25%), NFC with securities listed on EU regulated markets (25%), Banks (33%), BA (41%). Strong support from Academic/Research Institutions (100%). Recommended to include in Year 1
E4 – 4	Biodiversity and ecosystems action plans	Average RAR of 55%	1/Suggestion to postpone DR in relation to TNFD 2/Granularity/Reduce scope	In CSRD biodiversity is a sustainability matter to be covered and	Yes, with RAR of 63% with strong opposition from Other financial Market Participant,	To a certain extent, with a RAR of 50%. Disagreement from Insurers (0%), Other financial Market Participant,	Yes with 51% RAR with disagreement from Insurers (0%), NFC with securities listed outside EU regulated markets (0%),	1/ Lack of data/ value chain 2/ Too granular 3/ Operational burden 4/Confidentiality	No. To be reported if material as a result of IRO assessment.	1/ Simplification of text 2/ Move parts to AGs	52% RAR with opposition from Other financial Market Participant, including pension funds and other asset managers (0%), NFC with securities listed outside EU regulated markets (0%), NFC with securities listed on EU regulated markets (7%), BA (17%), National Standard Setter (25%), Banks

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			3/Confidential information 4/Add Taxonomy link 5/Lack of precisions on targets 6/Operational burden 7/ NGOs underline importance of DR	policies are a reporting area to be covered. CSRD recitals (1), (9) and (11)	including pension funds and other asset managers (0%), NFC with securities listed outside EU regulated markets (0%), NFC with securities listed on EU regulated markets (21%), BA (30%). Strong support from Academic/Research Institutions (100%), Audit firms (88%). DR and AG respect quality characteristics. Suggestion to move some parts of the DR to AG.	including pension funds and other asset managers (0%), NFC with securities listed outside EU regulated markets (0%), NFC with securities listed on EU regulated markets (19%), Unlisted NFC (25%), BA (35%). The DR is relevant across sectors. Disclosures subject to material impacts, dependencies, risks and opportunities.	Unlisted NFC (0%), banks (12%), NFC with securities listed on EU regulated markets (23%). Strong support from Academic/Research Institutions (100%), Audit firms (75%). Yes, alignment is respected but TNFD is not yet finalised: adjustments needed.			(33%). Strong support from Academic/Research Institutions (100%). Recommended to include in Year 1	
E4 – 5	Pressure metrics	Average RAR of 55%	1/Granularity 2/Missing focus on risk mitigation 3/Need for more detailed metrics 4/Alignment with	In CSRD biodiversity is a sustainability matter to be covered and metrics are a reporting area to	RAR of 56% with strong opposition from Other financial Market Participant, including pension funds and other asset managers (0%), NFC	Yes, with a RAR of 59%. Disagreement from Insurers (0%), NFC with securities listed outside EU regulated markets (0%), NFC with securities listed on EU regulated markets (13%),	45% RAR with disagreement from Banks (0%), Insurers (0%), NFC with securities listed on EU regulated markets (0%), NFC with securities listed outside	1/ Alignment with non mature EU (taxonomy) international frameworks 2/ Lack of quantitative data 3/ Lack of methodologies and metrics	YES: SFDR indicator 7 of Table 1 of Annex 1	1/ Simplify text by merging and combining E4-5, E4-6 and E4-7 2/ Interaction with E1, E2, E3 and E5	44% RAR for prioritization with opposition from BA (0%), Banks (0%), Insurers (0%), National Standard Setter (0%), NFC with securities listed on EU regulated markets (0%), NFC with securities listed outside EU regulated markets (0%), Other (20%), Unlisted NFC (25%), Audit firm, assurance provider and/or accounting firm (30%). Strong support from Academic/Research Institutions (100%).

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			Taxonomy / SFDR 5/Scope is too wide 6/Consistency with International Standards (not finalised) 7/Suggestion of a phased-in approach 8/Clarification on the interaction with other ESRS is needed 9/Missing impact drivers	be covered.	with securities listed outside EU regulated markets (0%), NFC with securities listed on EU regulated markets (14%), BA (15%), Insurers (17%), Other (25%). Strong support from Academic/Research Institutions (100%), Public authorities/regulators/supervisors (100%), Audit firms (88%). DR to be merged into E4-6 of the ED.	BA (20%), Unlisted nfc (25%). Strong support from Academic/Research Institutions (100%), Public authorities/regulators/supervisors (100%), Audit firms (70%). This DR is applicable only when the IRO assessment has identified as material a given impact driver. The DR is relevant across sectors.	EU regulated markets (0%), Unlisted NFC (0%), BA (24%). Strong support from Academic/Research Institutions (100%), Audit firms (86%). Yes, alignment is respected but TNFD is not yet finalised: adjustments needed.			DR merged into E4-6.	
E4 – 6	Impact metrics	Average RAR of 50%	1/ Too granular (usability of info) but no clear definitions 2/ Lack of data and methodology 3/Not mature as TNFD and conceptual framework	In CSRD biodiversity is a sustainability matter to be covered and impacts are a reporting area to be covered.	Yes with RAR of 60% with strong opposition from Other financial Market Participant, including pension funds and other asset managers (0%), NFC with securities	No, with a RAR of 46%. Disagreement from Insurers (0%), Other financial Market Participant, including pension funds and other asset managers (0%), NFC with securities listed outside EU regulated	52% RAR with disagreement from Banks (0%), Insurers (0%), NFC with securities listed on EU regulated markets (0%), NFC with securities listed outside EU regulated markets (0%),	1/ Alignment with non mature EU (taxonomy) international frameworks 2/ Lack of quantitative data 3/ Lack of methodologies and metrics	Yes: combination of E4-5, E4-6 and E4-7 for SFDR PAI Indicator, 14, 15, 22 of Table 2 of Annex 1	1/ Simplify text by merging and combining E4-5, E4-6 and E4-7, as per GRI recommendation 2/ Interaction with E1, E2, E3 and E5 as well as social standards to be specified	42% RAR for prioritization with opposition from BA (0%), Banks (0%), Insurers (0%), National Standard Setter (0%), NFC with securities listed on EU regulated markets (0%), NFC with securities listed outside EU regulated markets (0%), Audit firm, assurance provider and/or accounting firm (11%), Unlisted NFC (25%). Strong support from Academic/Research Institutions (100%).

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			not developed and not aligned to ISSB 4/ Simplify with list of sensitive location and move to E4-4 5/ NGOs underline importance of DR.	CSRD recitals (1), (9) and (11).	listed outside EU regulated markets (0%), NFC with securities listed on EU regulated markets (14%), Insurers (17%), BA (20%). Strong support from Academic/Research Institutions (100%), Public authorities/regulators/supervisors (100%), Audit firms (100%). DA and AG respect quality characteristics. Suggestion to simplify by merging E4-5 and E4-6.	markets (0%), NFC with securities listed on EU regulated markets (13%), BA (25%), Unlisted NFC (25%). Strong support from Public authorities/regulators/supervisors (100%), Academic/Research Institutions (67%), Audit firms (67%). The DR is relevant across sectors. The DR is applicable only when there are material impacts.	Unlisted NFC (0%), BA (25%). Strong support from Academic/Research Institutions (100%), Audit firms (86%). Alignment with TNFD is respected. Suggestion to merge EDs and incorporate interactions with E1, E2, E3 and E5. Discussions are ongoing.			Recommended to include it in Year 1	
E4 – 7	Response metrics	Average RAR of 49%	1/ DR is too granular and burdensome due to lack of data and methodologies. 2/ TNFD, global objectives and EU		Yes with RAR of 56% with strong opposition from Other financial Market Participant, including pension funds and other asset managers (0%), NFC with securities listed	No, with a RAR of 39%. Disagreement from Insurers (0%), Other financial Market Participant, including pension funds and other asset managers (0%), NFC with securities listed outside EU	Partially with 46% RAR with disagreement from Banks (0%), Insurers (0%), NFC with securities listed outside EU regulated markets (0%), Unlisted NFC (0%), ba (7%), NFC		PARTIALLY: combination of E4-5, E4-6 and E4-7 for SFDR PAI Indicator, 14, 15, 22 of Table 2 of Annex 1	1/To be deleted as per GRI and TNFD recommendation 2/Provision to be added in E4-1 to E4-4 to measure progress	40% RAR with opposition from Banks (0%), Insurers (0%), National Standard Setter (0%), NFC with securities listed outside EU regulated markets (0%), BA (6%), NFC with securities listed on EU regulated markets (7%), Audit firm, assurance provider and/or accounting firm (11%), Other (25%), Unlisted NFC (25%). Strong support from Academic/Research Institutions (100%).

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			taxonomy not finalised: issue with alignment. 3/ Overlaps with E4-4, move or phase-in.		outside EU regulated markets (0%), BA (15%), NFC with securities listed on EU regulated markets (23%), Other (33%). Strong support from Academic/Research Institutions (100%), Audit firms (100%). E4-7 already covered via E4-1 to E4-4. Only requirement to be added to measure progress against implementation.	regulated markets (0%), BA (25%), Unlisted NFC (25%), NFC with securities listed on EU regulated markets (27%) The DR is applicable only where material impacts are identified.	with securities listed on EU regulated markets (9%). Strong support from Academic/Research Institutions (100%), Audit firms (71%).				DR to be deleted (integrated into E4-4).
E4 – 8	Biodiversity-friendly consumption and production metrics	Average RAR of 60%	1/ Missing definitions and clarity on metrics. 2/ EU taxonomy not finalised, issues of alignment. 3/ Concerns on third party-certifications and assurance.		RAR of 62% with strong opposition from NFC with securities listed outside EU regulated markets (0%), BA (12%), NFC with securities listed on EU regulated markets (27%), Other (33%). Strong support from	Yes, with a RAR of 60%. Disagreement from Insurers (0%), Other (0%), National Standard Setter (40%), Audit firm, assurance provider and/or accounting firm (44%), NFC with securities listed on EU regulated markets (46%)	45% RAR with disagreement from Banks (0%), Insurers (0%), NFC with securities listed on EU regulated markets (0%), NFC with securities listed outside EU regulated markets (0%), Unlisted NFC (0%), BA	1/ Unclear definitions 2/ Assurance, third party verification not always applicable 3/ Competition sensitive info 4/ Risk of greenwashing	No	Move to sector-specific	24% RAR with opposition from BA (0%), Banks (0%), Insurers (0%), Other financial Market Participant, including pension funds and other asset managers (0%), National Standard Setter (0%), NFC with securities listed outside EU regulated markets (0%), Trade unions or other workers representatives (0%), NFC with securities listed on EU regulated markets (8%), Audit firm, assurance provider and/or accounting firm (11%), Unlisted NFC (25%), Other (33%)

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			4/ Postpone or move it to sustainable products. 5/ Some NGOs support mandatory .		Academic/Research Institutions (100%), Audit firms (88%). DR and AG respect good representation	DR to be moved to Sector Specific	(20%). Strong support from Academic/Research Institutions (100%), Audit firms (86%). EU taxonomy postponed triggering difficulties in alignment.				Recommend to move to sector-specific standards or future ESRS G on Sustainable Products.
E4 – 9	Biodiversity offsets	Average RAR of 62%	1/ Conceptual problems and missing definitions (greenwashing?) 2/ Clarifications needed 3/ Deprioritise, postpone, not mature 4/ Move to sector specific		RAR of 62% with strong opposition from Banks (0%), Unlisted NFC (0%), Insurers (20%). Strong support from Academic/Research Institutions (100%), Audit firms (71%). DR requires definitions and concepts that are currently not mature. Recommend deleting.	Yes, with a RAR of 70%. Disagreement from Insurers (0%), National Standard Setter (40%), Banks (50%), Unlisted NFC (50%) The DR is relevant across sectors.	63% RAR with disagreement from Banks (0%), Insurers (0%), ESG reporting initiative (50%), Rating agency and analysts (50%) TNFD does not provide guidance on biodiversity offsets.	1/ Conceptual problems 2/ Lack of EU/international definitions 3/ EU taxonomy not finalised	No	Delete	42% RAR with opposition from Banks (0%), Insurers (0%), Other financial Market Participant, including pension funds and other asset managers (0%), National Standard Setter (0%), Trade unions or other workers representatives (0%), Audit firm, assurance provider and/or accounting firm (22%), NFC with securities listed on EU regulated markets (38%). Strong support from Academic/Research Institutions (100%). Recommend deleting
E4 – 10	Financial effects from biodiversity-related impacts, risks and opportunities	Average RAR of 53%	1/ Scope too broad 2/ Not available scenarios, quantitative data 3/ Not mature	In CSRD biodiversity is a sustainability matter to be covered and	RAR of 50% with strong opposition from Other financial Market Participant, including pension	Yes, with a RAR of 62%. Disagreement from Insurers (0%), Other (33%), NFC with securities listed on EU regulated markets (38%).	45% RAR with disagreement from Banks (0%), Insurers (0%), NFC with securities listed on EU regulated	1/ Methodologies are not enough mature 3/ Lack of clear metrics	No	1/ Use of ranges 2/ Move to sector specific standards 3/ Issue paper has been prepared on how / whether to disclose on	36% RAR with opposition from Audit firm, assurance provider and/or accounting firm (0%), BA (0%), Banks (0%), Insurers (0%), NFC with securities listed outside EU regulated markets (0%), Other (0%), NFC with securities listed on EU regulated markets (7%), Unlisted NFC (25%)

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				financial effects are a reporting area to be covered.	<p>funds and other asset managers (0%), NFC with securities listed outside EU regulated markets (0%), NFC with securities listed on EU regulated markets (8%), BA (16%), Insurers (25%), National Standard Setter (40%). Strong support from Academic/Research Institutions (100%), Audit firms (100%).</p> <p>In order to improve the quality characteristics suggestion is to move to set.</p>	<p>Strong support from Academic/Research Institutions (100%).</p> <p>DR to be moved to sector-specific standards.</p>	<p>markets (0%), NFC with securities listed outside EU regulated markets (0%), Unlisted NFC (0%), BA (13%), Other (33%). Strong support from Academic/Research Institutions (100%), Audit firms (67%).</p> <p>Alignment with International Standards is difficult to achieve. It might be prudent to move to set 2.</p>			financial effects across all environmental standards	Recommend moving to sector specific Set 2. Feasible to be more precise in providing guidance on how to disclose.