Validation Report
on the
Draft ESRS XBRL Taxonomy

Summary

1. The aim of this validation report is to support and provide the basis for the approval process of the [draft] taxonomy from the SR TEG and SRB, based on the review performed by the Digital Committee (DC). This document is for information for EFRAG SRB members, and has been approved by the SR TEG on the 5 December 2023.

Introduction

1. The purpose of this Committee is to streamline the SR TEG process of validation of the deliverables developed by EFRAG secretariat (supported by an consultant). This is a particularly burdensome process, as it entails a review of each XBRL element (tag), to check that it is correctly capturing a separate datapoint, consistently with the content of the ESRS Delegate Act.

2. Given the heavy agenda of SR TEG, this Committee will validate the Draft ESRS XBRL Taxonomy. The SR TEG is not expected to re-perform the same review at level of each datapoint. The advice will still come from the SR TEG, but the work will be prepared by the committee.

3. Members of the Committee are expected to spend a certain number of hours in reviewing the draft XBRL taxonomy. The following SR TEG and SRB members volunteered to review: Sandra Alter, Piotr Biernacki, Luca Bonaccorsi, Anne Claire Ducrocq, Eric Duvaud, Klaus Hufschlag, Kristian Koktvedgaard and Stefan Schnell. Chairwoman of the DC is Chiara del Prete.

4. The EFRAG Digital Team (hereafter EDT) has prepared the lists of data points [DPs or XBRL tagging elements] in PPTs based on the XBRL taxonomy that had been developed through the implementation of the Set 1 version of the ESRS released by EFRAG in November 2022. The changes resulting from the final Annex 1 of the Delegated Act published on the 31st of July 2023 have been included manually in the list, while the work on updating the XBRL taxonomy itself was started in parallel.

5. The PPTs have been shared with individual DC members for the review and approval with the objective of presenting the validation of the technical implementation of ESRS Level of Separation (LoS) as defined in the XBRL Architecture and Methodology Note[1].

6. In order to simplify the review using visual support line items are presented in the presentations next to the ESRS text per Disclosure Requirement and a colour scheme is used to map the datapoint to its corresponding human readable text in the ESRS. Additional breakdowns (e.g. by country, sector, GHG types, etc.) of the

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[1] https://www.efrag.org/Assets/Download?assetUrl=%2Fsites%2Fwebpublishing%2FMeeting%20Documents%2F2303221128397656%2F03-02%20-%20Draft%20ESRS%20XBRL%20Taxonomy%20Architecture%20and%20Methodology%20-%20Issues%20Paper.pdf

line items are indicated within the [TABLE] data point. The breakdowns are implemented with XBRL dimensions and must not necessarily presented as tables in the ESRS statements.

7. The following screenshots illustrate how the ESRS data points and their translation has been presented to the Digital Committee members performing the review and validation.

Content Guide – Data types used in the ESRS

- Textblock – used for narrative formatted disclosures, not restricted in any way of formatting, length or content (can contain images or tables); can span one sentence, one paragraph, 5 pages or 100 pages; can be "continued" in the human readable report.
- Boolean – Yes or No disclosure (True or False, 1 or 0)
- Integer – integral data type, only non-decimal positive numbers.
- Enumeration – Drop down (multiple select if appropriate)
- Monetary – Decimal number representing currency
- Percent – percentage.
- Gyear – Date (year only)
- Date – Date (day, month year)
- Mass - The mass item type represents the mass of an object which can be measured.
- Table - dimensional table where dimensions are used as breakdowns on the columns
- Decimal – numbers.
- Energy - The energy item type represents a unit of energy

8.

ESRS 2 BP-1

3. The undertaking shall disclose the general basis for preparation of its sustainability statement
5. The undertaking shall disclose the following information:
a) whether the sustainability statement has been prepared on a consolidated or individual basis;
b) for consolidated sustainability statement:
    i) a confirmation that the scope of consolidation is the same as for the financial statement; and
    ii) where applicable, an indication of which subsidiary undertakings included in the consolidation are exempted from individual or consolidated sustainability reporting;
c) to what extent the sustainability statement cover the undertaking's upstream and downstream value chain.(see ESRS 1 section 5.1 Reporting undertaking and value chain);
d) whether the undertaking has used the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation (see ESRS 1 section 7.7 Classified and sensitive information and information on intellectual property, know-how or results of innovation); and
e) for undertakings based in an EU member state that allows for the exemption from disclosure of impending developments or matters in course of negotiation, as provided for in articles 19a(3) and 29a (3) of the Directive 2013/34/EU of the European Parliament and of the Council, whether the undertaking has used that exemption.

BP-1	3	Disclosure of general basis for preparation of sustainability statement	Textblock	
BP-1	5 a	Basis for preparation of sustainability statements	Enumeration	
BP-1	5 b(i)	Scope of consolidation of consolidated sustainability statement is same as for financial statements	Boolean	
BP-1	5 b(i)	Undertaking preparing consolidated sustainability statement is not required to draw-up financial statements	Boolean	
BP-1	5 b(i)	Consolidated sustainability reporting is prepared pursuant to Article 48i of Directive 2013/34/EU	TextBlock	
BP-1	5 b (ii)	Indication of subsidiary undertakings included in consolidation that are exempted from annual or consolidated sustainability reporting	TextBlock	
BP-1	5c	Disclosure of extent to which sustainability statements cover upstream and downstream value chain	TextBlock	
BP-1	5d	Option to omit specific piece of information corresponding to intellectual property, know-how or results of innovation has been used	Boolean	
BP-1	5e	Option allowed by Member State to omit disclosure of impending developments or matters in course of negotiation has been used	Boolean	

9. It should be note that the presentations do not include "Level 1 Textblock tags" that haves been implemented in the taxonomy to cover the full DR.

10. General adjustments of the XBRL taxonomy like simplification for narrative textblock tags and adjustments to improve interoperability with other sustainability XBRL taxonomies might be implemented at a later stage and will not be included in the draft ESRS XBRL taxonomy to be issued for consultation.

11. The ETD made available the full Draft ESRS Taxonomy on 31st of October 2023, which reflected the full text of the Delegated Act.

12. The DC members has provided a list of comments to the EDT (either on the basis of the PPT or on the basis of the full Draft ESRS Taxonomy) that have resulted in changes of the XBRL taxonomy and have been implemented already. This anonymized list of comments list is included in Appendix B.

13. Additionally, Appendix A provides a list of comments, that are either rejected by the secretariat for the Draft ESRS XBRL Taxonomy, require further discussion or coverage in the public consultation, or that will be implemented into the taxonomy.

14. Standards that have been validated by the DC:
- **ESRS 2 General Disclosures**
- **E1 Climate change**
- **E2 Pollution**
- **E3 Water and Marine Resources**
- **E4 Biodiversity and Ecosystems**
- **E5 Resources and Circular Economy**
- **G1 Business Conduct**
- **S1 Own Workforce**
- **S2 Workers in the Value Chain**
- **S3 Affected Communities**
- **S4 Consumers and End-Users**
- **G1 Business Conduct**

Conclusion

15. Each member of this Committee was asked to review at least two standards, with the aim of assessing the consistency between the final output and the Methodological Note of 17 April 2023 and in general of testing the technical appropriateness of the XBRL taxonomy. On the basis of the review performed by the members of this Committee, there are no elements that would suggest that the technical translation in XBRL language of the ESRS (Delegated Act) is inappropriate or incorrect.