

## Mailing from ESRS Q&amp;A Platform to Sustainability Reporting Board

Mailing for:

SR Board

Re- sponse ID	Category of question: * explanation * 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	Stakeholder group	Country question coming from
148	1 - explanation question	n/a	x-cutting	scope of consolidation non EU - unconsolidate d subsidiaries	Does the (consolidated) sustainability statement of a parent company has to include all its subsidiaries even if some of them are located out-side of the EU and/or if some are not (financially/legally) consolidated?	ESRS 1 paragraph 62	clarify that sustainability reporting follows the scope of financial statements (ESRS 1 paragraph 62); this includes non-EU subsidiaries; address unconsolidated subsidiaries based on national GAAP	Machinery and Equipment	Industry Group	Belgium
201	1 - explanation question	n/a	Environment	Oil spill/Chemical spill	Are oil/chemical spills to be reported under DR E2-4 paragraph 28 or elsewhere?	Disclosure Requirement E2-4 paragraph 28	Oil/chemical spills are indeed mentioned in various parts of the DA (E and S topical standards, as part of the broad IRO assessment). A clarification would be helpful in navigating the cross-ESRS nature of the issue.	Oil and Gas	Other	Italy
226	1 - explanation question	186, 301	Environment	Substances of (very high) concern	What is the difference between "Substances of concern" and "Substances of very high concern" in disclosure Requirement E2-5? Does the disclosure of emission factors include the values in for example 500 gCO2e/kWh or is the description of the emission factor related to the source of the emission factor sufficient? Is the reporting organisation obliged to make the calculation tools publicly accessible or is only the access for auditors and EU/national authorities mandatory?	Disclosure Requirement E2-5	Also, given the current lack of a related sectoral standard, a clarification related to BATs/BREFs, as mentioned in ESRS, would be useful in temporarily filling this gap. EFRAG Secretariat suggest to categorize as Explanation given the presence in the Glossary of distinct definitions for substances of concern (ref. to REACH + CLP + how re-use and recycling of materials are affected) and substances of very high concern (ref. to REACH).	Construction and Engineering	Other	Sweden
251	1 - explanation question	n/a	Environment	Emission factors	Phase-in 750 employees; ESRS 2 related disclosures in topical standards setting strategy and defining policies	ESRS E1 AR 39 b	[see also E 63], the entity should disclose the methodology and not only the figures. They can explain why they don't disclose. They have to disclose the methodology etc.	Professional Services	Preparer	Germany
291	1 - explanation question	n/a	x-cutting	Are the ESRS 2 related Disclosure Requirements in topical standards also subject to the one year phase-in of ESRS 1 for =< 750 employee undertakings?	ESRS 1 Appendix C: List of phased-in Disclosure Requirements	yes, they are; need to make clear that the topical ESRS have additional provisions for ESRS 2 DR but that appendix C is clear on that all DRs of the respective topical standards are subject to the phase-in see defined terms on policy: "A policy implements the undertaking's strategy or management decisions related to a material sustainability matter"; also clarify that ESRS are on disclosure and not on prescribing behaviour Options for consideration	Information Technology	Preparer	Belgium	
293	1 - explanation question	n/a	x-cutting	What is developed first the strategy, or the policy related to sustainability matters?	Disclosure Requirement SBM-1; MDR-P	1) Explanation. Very shortly reiterating that the REACH Regulation is the reference point to consult for identifying lists of substances (possible bundling with question 186). Additionally, the CLP Regulation, also mentioned in Annex II, should be referenced to redirect undertakings to the list of hazard classes. 2) IG on the basis of the need for guidance on the matter expressed by stakeholders, including through DA consultations (EC) in June/July 2023. The guidance would help companies make a proper assessment of the concept of substances of very high concern as part of the overarching substances of concern (SoC) notion, without falling into standard setting (no provision of distinct lists or thresholds). To be bundled with question 226.	Professional Services	Industry Group	Italy	
301	1 - explanation question	186, 226	Environment	Substances of (very high) concern	What is the list of substances of high concern to be considered? Is the list of substances of Very High Concern the one in s Annex XIV of REACH ? What are the main hazard classes of substances of concern and very high concern that must be considered for reporting under paragraph 34?	Disclosure Requirement E2-5 paragraph 34		Electronics and electrical equipment	Industry Group	France

1 - explanation 335 question	n/a	x-cutting	applicability of Appendix B (other EU legislation) datapoints for all undertakings	Are Appendix B datapoints (other EU legislation) applicable for all undertakings or for financial institutions only?	ESRS 1 chapter 10.2, par. 133	Misunderstanding that seems to be widespread (see also ID 361); explain that EU datapoints are designed to provide an infrastructure for financial institutions and, therefore, data from all undertakings is needed to make this infrastructure work	Agriculture, Farming and Fishing	Preparer	Netherlands
1 - explanation 338 question	n/a	Environment	High climate impact sector	How is "associated with activities in high climate impact sectors" to be understood - does it refer exclusively to the sectors in which the reporting undertaking itself is active?	ESRS E1 paragraph 40	High climate impact sectors are those listed in NACE Sections A to H and Section L (as defined in Commission Delegated Regulation (EU) 2022/1288). ESRS E1 para 40 "The undertaking shall provide information on the energy intensity (total energy consumption per net revenue) associated with activities in high climate impact sectors." -> each activity should be considered -> not only the NACE of the company. [While referring to E5, the question element related to narrative disclosures are x-cutting. We can engage other colleagues in the review.] ESRS E5-5 states that an undertaking shall disclose information on its resource inflows, including waste, related to its material impacts, risks and opportunities. ESRS 2, paragraph 72 notes that the undertaking shall apply the requirements for the content of disclosures in this provision when it discloses on the metrics it has in place with regard to each material sustainability matter. ESRS 2, paragraph 75 notes that the undertaking shall disclose any metrics that it uses to evaluate performance and effectiveness, in relation to a material impact, risk or opportunity. [PEDRO: FOR ME THIS IS A X-cutting QUESTION NOT A ENV QUESTION] ESRS E5-5 states that an undertaking shall disclose information on its resource inflows, including waste, related to its material impacts, risks and opportunities. ESRS E5, AR 30 states that when considering the waste streams relevant to its sectors or activities, the undertaking may consider the list of waste descriptions from the European Waste Catalogue.	Not applicable	National or European Standard Setter Germany	
1 - explanation 401 question	n/a	Environment	Waste; narrative and quantitative disclosures	When completing the narrative response for "Description of the key products and materials that come out of the undertaking's production process" can the quantitative metrics that are also required to be disclosed be included (i.e., total waste generated in mass)? Additionally, can derivative metrics that are not required but provide additional detail such as total waste to revenue or total waste to enterprise value be included in the narrative response?	ESRS Disclosure Requirement E5-5	ESRS 2, paragraph 72 notes that the undertaking shall apply the requirements for the content of disclosures in this provision when it discloses on the metrics it has in place with regard to each material sustainability matter. ESRS 2, paragraph 75 notes that the undertaking shall disclose any metrics that it uses to evaluate performance and effectiveness, in relation to a material impact, risk or opportunity. [PEDRO: FOR ME THIS IS A X-cutting QUESTION NOT A ENV QUESTION] ESRS E5-5 states that an undertaking shall disclose information on its resource inflows, including waste, related to its material impacts, risks and opportunities. ESRS E5, AR 30 states that when considering the waste streams relevant to its sectors or activities, the undertaking may consider the list of waste descriptions from the European Waste Catalogue.	Information Technology	Other	Canada
1 - explanation 408 question	n/a	Environment	Waste	could you clarify the categorisation of following waste streams (whether under 37.b.iii, 37.c.ii or 37.c.iii): composting of organic waste, fermentation of organic waste and incineration of waste that results in energy production (which then is used/sold)	E5-5	ESRS E5, AR 30 states that when considering the waste streams relevant to its sectors or activities, the undertaking may consider the list of waste descriptions from the European Waste Catalogue.	Recreation and Leisure	User	Belgium
1 - explanation 422 question	n/a	Environment	Assets at risk over the short-, medium- and long-term	Is the disclosure of monetary amount and proportion of assets at risk over the short/medium/long-term meant to be broken down by the time horizon (short/medium/long) or a single aggregate number for assets at risk at any of those time horizons?	E1 66a & E1 67a	This disclosure requirement requires breakdown by time horizons; this is also aligned with ESRS reference to Commission Implementing Regulation (EU) 2022/2453 - Template 5: banking book - Climate change physical risk: Exposures subject to physical risk	Not applicable	Other	United Kingdom
1 - explanation 440 question 2a - implementation 283 guidance (new)	n/a	439 Environment Environment	Pollutants emissions - disaggregation Incineration; waste	The amount of each pollutant to air, water and soil shall be consolidated over the facilities. Does this mean one single/consolidated value for each pollutant into all categories? Or does this mean one value for emissions into air, one value for emissions into water, and one for emissions into soil? Is incineration with energy recovery considered waste diverted or waste disposed?	Disclosure Requirement E2-4 paragraph 29 ESRS E5 paragraph 37 (a), (b), (c)	ESRS E2-4 requires undertakings to refer to Annex II and related thresholds of the E-PRTR Regulation when reporting on pollutants. Annex II provides separate thresholds for emissions into air, emissions into water, and emissions into soil. An explanation is useful to make this ESRS-E-PRTR link more explicit. A clarification in connection of this topic in ESRS E5 will be provided in an Implementation Guidance.	Chemicals Machinery and Equipment	Preparer Preparer	Germany Germany