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## Cover Note

### ESRS Set 1 Draft XBRL Taxonomy

#### Strategic direction on proposed changes following the public consultation

##### Objective

1. Objective of this session is to get EFRAG SRB approval of the strategic directions on how the draft ESRS Set 1 Draft XBRL Taxonomy should be amended in order to respond to the feedback of the public consultation. For this purpose, this paper presents the key feedback of the consultation and the proposed strategic orientations of the EFRAG Secretariat.

##### Background

2. EFRAG published the ESRS Set 1 Draft XBRL Taxonomy on 8 February 2024 for public feedback. The public consultation lasted until 8 April 2024.
3. A total of 49 responses were provided in the course of the public consultation. Two additional comment letters have been provided after the deadline, and one was incorrectly uploaded to the Draft Article 8 XBRL Taxonomy consultation survey. All responses are available for download here:
  - (a) [Draft ESRS Set 1 XBRL Taxonomy survey comments, letters and files attached as part of the response. The response ID used as prefix for each file \(ZIP, 48 MB\)](#)
  - (b) [Draft ESRS Set 1 XBRL Taxonomy comment letters provided after the deadline 8 April 2024 \(ZIP, 557 KB\)](#)

##### Overview of the consultation responses

4. The table below reports the distribution of the 50 responses provided in the course of the public consultation (49 plus the one incorrectly uploaded to the Article 8 XBRL Taxonomy consultation survey)<sup>1</sup>.

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<sup>1</sup> Some responses have been reclassified with regards to the type of stakeholder since a few respondents had clearly misidentified themselves. These are marked with an asterisk in the table.

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	America	Asia	Austria	Belgium	Denmark	Estonia	Europe	France	Germany	Italy	Netherlands	Spain	Sweden	UK	Total
Assurance provider			1	1*			1	1	2*						6
Consultant		1					2	1	1	1		1			7
Standard setter				1	2	1		1	1		1		1		8
Preparer				1			1	3	3			2			10
Software vendor	1							1	1	2					5
User	2						1*	2							5
XBRL expert	1			1									2	2	6
Other								1	1			1			3
<b>Total</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>6</b>	<b>9</b>	<b>9</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>50</b>

5. Not all respondents answered all the 10 questions in the public consultation. The following table reports the completion rates. The consultation questions are provided in Appendix 2.

	Q1	Q2	Q3	Q4	Q5a	Q5b	Q6a	Q6b	Q7	Q8
Responded	84%	67%	76%	73%	76%	71%	45%	47%	69%	80%
Skipped	16%	33%	24%	27%	24%	29%	55%	53%	31%	20%

6. Questions Q6a and Q6b were often skipped as they were explicitly marked as “experts only”. Q2 was also often skipped as it related to the alignment of the taxonomy to the needs of the users (analysts, data providers, etc.). Many respondents skipped this question explaining that they were not users and could therefore not assess this. Nonetheless, all the respondents representing users did indeed respond positively to this question.

7. All the 10 questions were dichotomous. The following table reports the responses provided.

	Q1	Q2	Q3	Q4	Q5a	Q5b	Q6a	Q6b	Q7	Q8
Yes	85%	76%	84%	89%	81%	77%	77%	61%	91%	82%
No	15%	24%	16%	11%	19%	23%	23%	39%	9%	18%

8. The most controversial question was Q6b, which relates to the implementation of optional disaggregation by means of open hypercubes. This is a particularly technical question that addresses how the combination of disaggregation with XBRL dimensions (e.g. countries, GHG types, subsidiaries) could be implemented in the XBRL taxonomy (summary of the responses below).

9. The EFRAG Secretariat separated the unique comments submitted in the text fields provided in the questionnaire or in attached comment letters, and identified 422 unique comments, related to specific subjects or XBRL elements. Additionally, some respondents provided Excel spreadsheets with detailed proposal on individual XBRL elements or their attributes and labels. Two respondents provided detailed proposals on a specific E2 Pollution related disclosure requirement.

10. Furthermore, the EFRAG Secretariat classified the 422 comments received based on their subject and based on whether or not they require a further analysis and potentially an amendment of the XBRL taxonomy (classified as “Further analysis required”). Comments only providing appreciative feedback or simply stating objective facts have been classified as to not requiring any further analysis. The following table reports a summary of such a categorization.

	Out of scope	No further analysis required	Further analysis required	Total
Dimensional modelling and MDRs		16	41	57
Semi-narrative		18	38	56
Methodology		23	27	50
Validation rules		4	38	42
Narrative tagging hierarchy		11	20	31
Avoidance of extensions		9	17	26
Specific elements			25	25
Accompanying materials		2	18	20
Open hypercubes		5	12	17
Interoperability		2	8	10
References			7	7
Incorporation by reference		1	4	5
Connectivity			4	4
Other		14	15	29
Out of scope	35	8		43
<b>Total</b>	<b>35</b>	<b>113</b>	<b>274</b>	<b>422</b>

11. Most of the comments relate to the use of semi-narrative elements, to dimensional modelling and the implementation of MDRs, and to the implementation of the methodology, all of which are central features of the XBRL taxonomy.
12. Most of the comments (274) actually point out specific issues or propose potential changes or improvements to the XBRL taxonomy, which will require detailed analyses by the EFRAG Secretariat.
13. Most of the other 113 comments not requiring any further analysis relate to the use of semi-narrative elements and the dimensional modelling and implementation of MDRs. These latter were mainly appreciative or general comments. Some comments even included methodological or content-related questions. It is however important to remark that the EFRAG Secretariat did not ignore these comments *a priori*, but rather, after having examined them, classified them as to not requiring any further analysis as part of the current digitisation project.

14. The remaining 35 comments in the category “Out of scope” pertain mainly potential tagging rules, the phase-in provisions, or a potential field test to be conducted, which however, are not in EFRAG’s remit. As there are still no sustainability statements prepared under ESRS, as such field tests are not feasible at this stage and in the available timing.

### Overall feedback

15. The public feedback expresses support for the methodology and architecture of the XBRL Taxonomy. The majority of the respondents (85%) agreed that the Draft XBRL Taxonomy is an appropriate transposition of the ESRS.
16. Particularly appreciated features were the re-use of XBRL elements to avoid double tagging, the implementation of semi-narrative elements to enrich narrative disclosures, and the avoidance of taxonomy extensions for the tagging of ‘other’ disclosures (additions to ESRS datapoints, disclosures stemming from other legalisation or standards, and entity-specific disclosures).
17. Several respondents further pointed out potential margins of improvements and provided many suggestions, both technical and practical, which the EFRAG Secretariat considers very helpful and would like to implement.
18. Many respondents recognized the burden that the digital tagging will represent for the preparers and stressed the importance of appropriate phase-in provisions in the tagging rule that will be developed by ESMA.
19. One respondent (National Standard Setter) in particular was particularly critical with regards to the granularity of the Draft XBRL Taxonomy. The respondent suggested to merge or delete 30-40% of the elements in the Draft XBRL Taxonomy, arguing that “users do not necessarily require all the detailed information made by preparers”, and that in general, granular ESRS datapoints have an “educational” character. This is not aligned with the overall responses in the draft taxonomy consultation.
20. One other respondent (Government organization) expressed the need for a ‘simpler’ taxonomy, mentioning technical implementation details without however providing many concrete examples of suggested changes. Finding it hard to address this concern with possible changes to the taxonomy itself, the EFRAG Secretariat welcomes a proposal by XBRL International to set up an ESG reporting software certification program to ensure that software providers can effectively deal with the architecture of the taxonomy.

### EFRAG Secretariat proposed strategic orientations

21. After having analysed in detail the comments received, the EFRAG Secretariat proposes the following changes to the Draft XBRL Taxonomy, besides smaller editorial changes and corrections.
- (a) **Further details are to be included** alongside each XBRL element to specify whether it is a mandatory (‘shall’) or voluntary (‘may’) disclosure, whether it is subject to the phase-in provisions, whether its applicability is dependent on certain conditions (e.g. if the undertaking is active in high climate impact sectors).
- (b) **Validation rules are to be enhanced** to consider phase-in provisions, in order not to flag omitted tags when such disclosures are subject to phase-in. Further additional validation rules are to be implemented, for example for voluntary or alternative tags, or for the expected units of certain facts.
- (c) Furthermore, a **Calculation Linkbase is to be included** for many tables (ESRS 2 SBM-1, E1-5, E1-6, E1-9, E2-5, S1-9, S1-14) to ensure the mathematical consistency of the reported data.

- (d) **The names of some Boolean elements are to be rephrased** to facilitate the understandability of the required disclosures, especially in the case of negatively-phrased disclosures (e.g.: ‘measurable outcome-oriented targets have *not* been set’).
  - (e) **The tagging of not material elements** – which is mandatory for EU datapoints but available on a voluntary basis for other metrics - **can be implemented through explicit dimensions** instead of using the *xsi:nil* attribute. This will allow for a more explicit statement on “not material” datapoints. This proposal will be confirmed with Digital Committee members.
  - (f) Following the comments provided by the consultation respondents, **the hypercubes are to be closed**. This means that instead of allowing the preparer to disaggregate facts with freely chosen dimensions, all the prescribed disaggregations will already be provided by the taxonomy. This is best-practice in the development of XBRL taxonomies, but is not as flexible as open hypercubes and will require preparers to use taxonomy extensions to tag further disaggregations, which is a drawback but still seems to be preferred by respondents.
  - (g) **The elements for “Name or identifier of related [...]” are to be split** into two different elements, one for the name and one for the identifier. A dedicated datatype could also be implemented for the ID elements. By splitting this element, additional validation rules could be introduced to ensure that the IDs in the typed dimensions are consistent.
  - (h) **The Reporting Scope dimension is to be split** to reflect whether the fact is a target or measured value, whether it is a correction of a previously reported tag, whether it relates to short/medium/long term time horizon, and whether it is related to specific pre-defined milestone years.
  - (i) **The policies not adopted are to be included** in a central template (as currently done for targets) and removed from the topical standards. An enumeration with all the sustainability matters will be included for each target and target not adopted.
  - (j) **MDR tags are to be introduced also for ESRS G1**. The MDRs from paragraphs 63 to 81 of ESRS 2 shall in fact be applied with respect to Policies, Actions and Targets in ESRS G1, irrespective of the fact that there is no explicit cross-reference in the topical standard, as pointed out in [Q&A ID 479](#).
  - (k) The proposal to merge and remove ESRS datapoints described in paragraph 19 also includes a number of suggestions in relation to MDR related datapoints in the topical standards. The EFRAG Secretariat used this as a basis to identify potential overlapping elements between ESRS 2 MDR and the topical standards, to **simplify the tagging of narrative information** about Policies, Targets and Actions without compromising the compliance with the methodology approved by EFRAG SRB on 26 April 2023. The EFRAG Secretariat is of the opinion, that those changes could be implemented on an exceptional basis, when (see more information in Appendix 1):
    - (i) No content detail is lost;
    - (ii) The change does not complicate interoperability with other XBRL taxonomies;
    - (iii) and following an approval from the EFRAG Digital Committee and EFRAG SR TEG.
  - (l) Lastly, the **Explanatory Note and Basis for Conclusion** (which was vastly appreciated) will also be amended to include enhanced and new examples, details and explanations with respect to a number of subjects. The **examples of illustrative tagged XBRL reports** will be updated and finetuned with the final taxonomy and inconsistencies will be corrected.
22. The following table indicates to which subjects the comments resulting in proposed changes are allocated. Only the 274 comments requiring further analysis (cf. paragraph 12) are considered in this table. When comments did not result in changes, those might be based on

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misinterpretation of the draft taxonomy, did not provide clear suggestions for improvements, were not in line with the methodology, were out of the project scope or were contradicting a majority of other comments received on the same matter.

	Change	No change	Total
Dimensional modelling and MDRs	31	10	41
Semi-narrative	19	19	38
Methodology	14	13	27
Validation rules	22	16	38
Narrative tagging hierarchy	10	10	20
Avoidance of extensions	9	8	17
Specific elements	18	7	25
Accompanying materials	15	3	18
Open hypercubes	12	0	12
Interoperability	4	4	8
References	6	1	7
Incorporation by reference	1	3	4
Connectivity	2	2	4
Other	6	9	15
<b>Total</b>	<b>169</b>	<b>105</b>	<b>274</b>

23. Most comments that required further analysis will indeed lead to a change in the XBRL taxonomy. The aspects which will be most impacted will be the dimensional modelling and implementation of MDRs, and the open hypercubes.

**Considerations on proposed changes not in line with the methodology**

24. With the exception of the changes described above in paragraph 21 k), while the proposed reduction of the narrative XBRL elements as described in paragraph 19 clearly reduces the effort of the preparers to tag narrative disclosures, most of the proposed changes come with the following disadvantages:

- (a) Contradicting the methodology, being approved by EFRAG SRB on 26 April 2023 and basis for the development of the XBRL taxonomy, in particular the principle that the digitalization process is not standard setting, i.e. it should not revisit how the standard setter has split the narrative disclosure into datapoints;
- (b) Issues in regard to interoperability with other XBRL standards and taxonomies like ISSB and GRI; The proposal would decrease and complicate the interoperability with ISSB in several cases, as the ISSB staff pointed out;
- (c) Introducing judgemental aggregation of narrative datapoints without proposing a new and clear methodology, in particular as different users may have different approaches to the separation of datapoints;

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- (d) Reducing usability and comparability of narrative disclosures: instead of smaller portions of text, larger sections of the report might be block tagged;
  - (e) Taxonomy-centric report preparation is at risk;
  - (f) Narrative disclosures might be aggregated and therefore diluted, which bears a risk of potentially allowing for greenwashing practices;
  - (g) It is challenging to find adequate labels for the “merged” XBRL elements when crossing multiple levels as these aggregations are not aligned with the structure of the DRs (i.e. a), b), i), ii) etc.).
  - (h) Implementing a phasing-in for narrative tagging might be more complex for ESMA, because the levels of the tagging hierarchy would be partially removed, which makes a phasing-in based on it impossible.
25. Based on the above considerations (see paragraph 22), the EFRAG Secretariat proposes that the taxonomy will not include any adjustment which might lead to the high risk to take judgemental and arbitrary decisions which are not aligned with the current structure of the DRs and in contrast with the approved methodology.

**Question to the EFRAG SRB members:**

Do you agree that the EFRAG secretariat implements the proposed technical improvements and changes listed above?

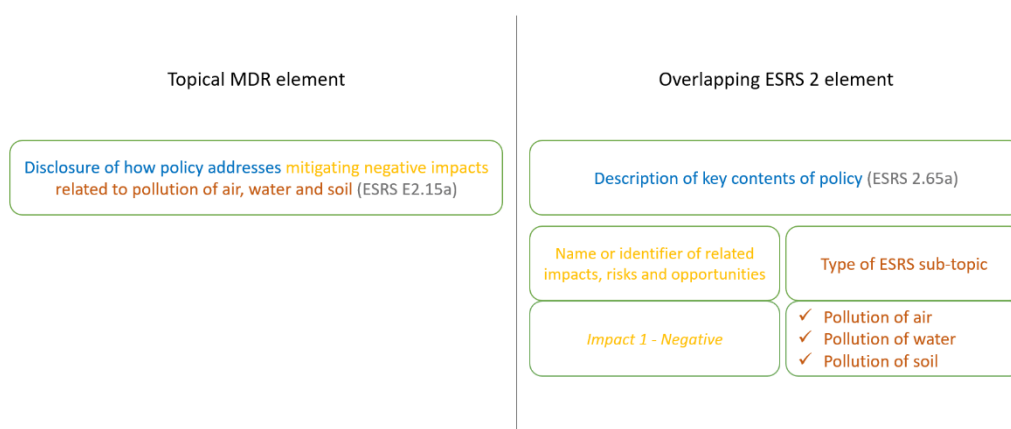
Do you agree with the approach to not include proposed changes not in line with the methodology and that provide significant disadvantages (e.g. complicates interoperability)?

**Next steps**

26. The EFRAG Secretariat will amend the XBRL taxonomy according to the strategic direction provided by EFRAG SRB. Technical issues (not XBRL related) will be discussed with EFRAG SR TEG and Digital Committee if necessary.
27. The approval of the ESRS XBRL taxonomy by EFRAG SRB is scheduled for July 2024.
28. After the approval by EFRAG SRB, the final XBRL taxonomy is to be handed over to ESMA and the EC, in order to be incorporated into the European Single Electronic Format (ESEF). The adoption of the amended ESEF RTS is then expected in 2025 by the EC.

## Appendix 1: Simplification of narrative tagging of Policies, Actions and Targets

1. In order to implement the changes in paragraph 22 k), their feasibility has to be assessed in order to verify that not content is lost in this simplification. This Appendix illustrate the technical issues that this entails. The content of the Appendix has not yet been discussed with the Digital Committee and the EFRAG SR TEG.
2. While ESRS 2 sets out the MDR with regards to Policies, Actions and Targets, often the topical ESRS add onto these requirements by specifying topic-specific disclosures.
3. One example is the requirement of ESRS 2 paragraph 65 a, which requires ‘a description of the key contents of the policy’, for each material policy the undertaking has adopted in order to manage material sustainability matters. In addition to this, undertakings are required under ESRS E2 paragraph 15 a to indicate how its policies address the ‘mitigation of negative impacts related to pollution of air, water and soil including prevention and control’. There is therefore certainly a clear relation between the two disclosure requirements, which could result in prepares tagging both elements with the same content. The diagram below depicts the potential overlap presented in this example.



4. The EFRAG Secretariat considers eliminating such overlaps by replacing the topical element with the corresponding ESRS 2 one, but strictly only when there is a complete overlap, and no detail is lost. If by removing (or replacing) such elements, some degree of detail will be lost, the EFRAG Secretariat suggests keeping both elements. Eliminating such details from the XBRL taxonomy elements would be against the methodology, because it would no longer fully represent the ESRS and would decrease the usability of the data.
5. Nevertheless, a disadvantage of this change even in cases of complete overlap would be, that dedicated elements representing ESRS datapoints will be lost (as despite having two datapoints in ESRS there would be only one tag) and the correct application of the enumeration element and the link to the IROs by preparers will be more crucial. A user might not find the elements presenting a dedicate paragraph in the ESRS text and in the IG3 in the taxonomy anymore. This could negatively affect understandability and usability of the digitally tagged data.

### Technical approach: Data modelling for MDR and related topical elements

6. While the topical elements linked to MDR (hereinafter ‘topical MDR elements’) often provide detailed indications with regards to the required facts, the MDR elements (included in ESRS 2) are more general. The MDR elements are expected to be used in conjunction with an enumeration (multi-choice selection menu) including the sustainability matters listed in ESRS 1 paragraph AR 16, and with a link to a defined Impact, Risk or Opportunity. Additionally, a



reference to the related IROs can be provided for each policy ('Name/identifier of the related IROs').

7. In cases where the topical MDR elements refers to a specific aspect of a sustainability matter in ESRS 1 paragraph AR 16 (therefore not explicitly included in the list of sustainability matters used for enumeration), the EFRAG Secretariat proposes to add such matters in the enumeration as well. For example, ESRS E5 paragraph 24 requires the disclosure of 'how target relates to increase of circular material use rate'. Since the enumeration with the sustainability matters currently only includes 'Resource inflows', as per ESRS 1 paragraph AR 16, by including a more specific enumeration menu item for 'circular material use', it will be possible to tag such information, using that enumeration value in conjunction with the ESRS 2 element 'Description of scope of target' and achieve the same semantic meaning (i.e. allow to specifically tag the topical MDR element). In some other cases, it will also be necessary to split some menu items in the enumeration of sustainability matters as of ESRS 1 paragraph 16 (e.g. splitting 'management of relationships with suppliers' and 'payment practices', currently included as a combined item, to achieve a higher level of detail).
8. To grant semantic equivalence to the content of the proposed taxonomy and to the ESRS, further references to the specific details required by certain topical MDR elements, such as the reference to own operations or upstream and downstream value chain, can be included as enumeration values to be used alongside the ESRS 2 elements as well.
9. If the topical MDR elements were to be removed (or replaced) however, the question of how the narrative tagging hierarchy will be addressed arises. In some cases in fact, the overlap between the topical standards and ESRS only relates to the Level 2 element (corresponding to a), b) etc.), while the more granular Level 3 elements (corresponding to i), ii) etc.) are more detailed and cannot be removed as they do not present a clear overlap with the ESRS 2 elements. To address this issue the overlapping topical element could be replaced with the ESRS 2 element in the hierarchy, or could be made abstract (only when there are children elements below it in the hierarchy), which means it's still part of the hierarchy but can't be tagged anymore.
10. The table on the next page reports the potential overlapping candidates identified by the EFRAG Secretariat.

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PAT	Topical element		Overlapping ESRS 2 element		Comment
	Label en	References	Label en	Paragraph	
Policies	Disclosure of how policy addresses mitigating negative impacts related to pollution of air, water and soil [text block]	ESRS E2.15 a	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters
Policies	Disclosure of how policy addresses substituting and minimising use of substances of concern and phasing out substances of very high concern [text block]	ESRS E2.15 b	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters
Policies	Disclosure of how policy addresses water management [text block]	ESRS E3 .12 a	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters
Policies	Disclosure of reasons for not having adopted policy in areas of high-water stress [text block]	ESRS E3 .13, Commission Delegated Regulation (EU) 2022/1288 Indicator 8 Exposure to areas of high water stress, Annex 1 Table 2	Disclosure of reasons for not having adopted policies [text block]	ESRS 2.62	+ enumeration with sustainability matters + add high-water stress to the enumeration
Policies	Disclosure of how policy relates to sustainability matters for biodiversity and ecosystems [text block]	ESRS E4.23 a	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters
Policies	Disclosure of how policy refers to production, sourcing or consumption of raw materials [text block]	ESRS E4 AR 12	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters
Policies	Disclosure of how policy enables to mitigate contribution to material biodiversity loss drivers [text block]	ESRS E4 AR 16 d	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters
Policies	Description of relevant human rights policy commitments [text block]	ESRS S4.16, ESRS S2.17, ESRS S3.16, ESRS S1.20,	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters + add

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		Commission Delegated Regulation (EU) 2022/1288 Indicator 9 Lack of a human rights policy, Annex 1 Table 3			human rights to the enumeration
Policies	Disclosure of aspects of policy that satisfy requirements of disclosure of policies related to own workforce / value chain workers / affected communities / consumers and end-users [text block]	ESRS S3.18, ESRS S2 AR 13, ESRS S4 AR 10, ESRS S1 AR 11	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters
Policies	Description of policy provisions for preventing and addressing impacts on indigenous peoples [text block]	ESRS S3.15	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters
Policies	Disclosure of how corporate culture is established, developed, promoted and evaluated [text block]	ESRS G1.9	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters
Policies	Disclosure of how whistleblowers are protected [text block]	ESRS G1.10 c	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters
Policies	Description of policy to prevent late payments [text block]	ESRS G1.14	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters, + split suppliers and payments in the enumeration
Policies	Information about approach to relationships with suppliers [text block]	ESRS G1.15 a	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters, + split suppliers and payments in the enumeration
Policies	Disclosure of how social and environmental criteria are taken into account for selection of suppliers [text block]	ESRS G1.15 b	Description of key contents of policy [text block]	ESRS 2.65 a	+ enumeration with sustainability matters, + add selection of suppliers to the enumeration

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Actions	Information about action plans that have been implemented at site-level (pollution) [text block]	ESRS E2 AR 15	Description of scope of key action [text block]	ESRS 2.68 b	+ enumeration with sustainability matters, + add reference to site level?
Actions	Disclosure of how action covers higher levels of resource efficiency in use of technical and biological materials and water [text block]	ESRS E5.20 a	Disclosure of key action [text block]	ESRS 2.68 a	+ enumeration with sustainability matters, + add resource efficiency to the enumeration
Actions	Disclosure of how action covers higher rates of use of secondary raw materials (recyclates) [text block]	ESRS E5.20 b	Disclosure of key action [text block]	ESRS 2.68 a	+ enumeration with sustainability matters, + add use of secondary raw materials to the enumeration
Actions	Disclosure of how action covers application of circular design and higher rates of Reuse, Repair, Refurbishing, Remanufacture, Repurposing and Recycling [text block]	ESRS E5.20 c	Disclosure of key action [text block]	ESRS 2.68 a	+ enumeration with sustainability matters, + add circular design to the enumeration
Actions	Disclosure of how action covers application of circular business practices [text block]	ESRS E5.20 d	Disclosure of key action [text block]	ESRS 2.68 a	+ enumeration with sustainability matters, + add circular business practices to the enumeration
Actions	Disclosure of how action covers actions taken to prevent waste generation in upstream and downstream value chain [text block]	ESRS E5.20 e	Disclosure of key action [text block]	ESRS 2.68 a	+ enumeration with sustainability matters, + reference to value chain
Actions	Disclosure of how action covers optimisation of waste management in line with waste hierarchy [text block]	ESRS E5.20 f	Disclosure of key action [text block]	ESRS 2.68 a	+ enumeration with sustainability matters, + add optimisation of waste management to the enumeration

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Actions	Disclosure of how resources cover higher levels of resource efficiency in use of technical and biological materials and water [text block]	ESRS E5.20 a	Description of type of current and future financial and other resources allocated to action plan [text block]	ESRS 2.69 a	+ enumeration with sustainability matters, + add resource efficiency to the enumeration
Actions	Disclosure of how resources cover higher rates of use of secondary raw materials (recyclates) [text block]	ESRS E5.20 b	Description of type of current and future financial and other resources allocated to action plan [text block]	ESRS 2.69 a	+ enumeration with sustainability matters, + add use of secondary raw materials to the enumeration
Actions	Disclosure of how resources cover application of circular design and higher rates of Reuse, Repair, Refurbishing, Remanufacture, Repurposing and Recycling [text block]	ESRS E5.20 c	Description of type of current and future financial and other resources allocated to action plan [text block]	ESRS 2.69 a	+ enumeration with sustainability matters, + add circular design to the enumeration
Actions	Disclosure of how resources cover application of circular business practices [text block]	ESRS E5.20 d	Description of type of current and future financial and other resources allocated to action plan [text block]	ESRS 2.69 a	+ enumeration with sustainability matters, + add circular business practices to the enumeration
Actions	Disclosure of how resources cover actions taken to prevent waste generation in upstream and downstream value chain [text block]	ESRS E5.20 e	Description of type of current and future financial and other resources allocated to action plan [text block]	ESRS 2.69 a	+ enumeration with sustainability matters, + reference to value chain
Actions	Disclosure of how resources cover optimisation of waste management in line with waste hierarchy [text block]	ESRS E5.20 f	Description of type of current and future financial and other resources allocated to action plan [text block]	ESRS 2.69 a	+ enumeration with sustainability matters, + add optimisation of waste management to the enumeration
Actions	Disclosure of how action is taken to address material negative and positive impacts, and to manage material risks and pursue material	ESRS S4.28, ESRS S2.30, ESRS S3.30, ESRS S1.35	Disclosure of key action [text block]	ESRS 2.68 a	+ enumeration with sustainability matters

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	opportunities related to own workforce / value chain workers / affected communities / consumers and end-users, and effectiveness of those actions [text block]				
Actions	Description of actions taken, planned or underway to prevent or mitigate material negative impacts on own workforce / value chain workers / affected communities [text block]	ESRS S1.38 a, ESRS S2.32 a, ESRS S3.32 a	Disclosure of key action [text block]	ESRS 2.68 a	+ enumeration with sustainability matters, MDR does not specify 'taken, planned or underway' (can there be any other status?), nor it specify that it is about preventing or mitigating negative impacts (but it can be implied by the name of the related IRO)
Actions	Disclosure of intended or achieved positive outcomes of programmes or processes for people in own workforce / value chain workers / affected communities / consumers and end-users [text block]	ESRS S1 AR 40 b, ESRS S4 AR 33 b, ESRS S2 AR 36 b, ESRS S3 AR 34 b	Disclosure of expected outcomes of key action and how its implementation contributes to achievement of policy objectives and targets [text block]	ESRS 2.68 a	+ enumeration with sustainability matters
Actions	Description of actions taken, planned or underway to prevent, mitigate or remediate material negative impacts on consumers and end-users [text block]	ESRS S4.31 a	Disclosure of key action [text block]	ESRS 2.68 a	+ enumeration with sustainability matters, MDR does not specify 'material negative impact' but it can be implied by the name of the related IRO
Actions	Disclosure of activities and commitments related to exerting political influence, including lobbying	ESRS G1.27	Disclosure of key action [text block]	ESRS 2.68 a	+ enumeration with sustainability matters

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	activities related to material impacts, risks and opportunities [text block]				
Targets	Disclosure of how target relates to prevention and control of air pollutants and respective specific loads [text block]	ESRS E2.23 a	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters, if the 'specific loads' can be considered a separate sub-topic we could add it to the enumeration, otherwise we will lose this detail
Targets	Disclosure of how target relates to prevention and control of emissions to water and respective specific loads [text block]	ESRS E2.23 b	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters, if the 'specific loads' can be considered a separate sub-topic we could add it to the enumeration, otherwise we will lose this detail
Targets	Disclosure of how target relates to prevention and control of pollution to soil and respective specific loads [text block]	ESRS E2.23 c	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters, if the 'specific loads' can be considered a separate sub-topic we could add it to the enumeration, otherwise we will lose this detail
Targets	Disclosure of how target relates to prevention and control of substances of concern and substances of very high concern [text block]	ESRS E2.23 d	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters
Targets	Information about targets that have been implemented at site-level (pollution) [text block]	ESRS E2 AR 18	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters, + add reference to site level?

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Targets	Disclosure of how target relates to biodiversity and ecosystem impacts, dependencies, risks and opportunities identified in relation to own operations and upstream and downstream value chain [text block]	ESRS E4.32 c	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters
Targets	Disclosure of geographical scope of target [text block]	ESRS E4.32 d	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters
Targets	Disclosure of how target relates to resource inflows (resource use and circular economy) [text block]	ESRS E5.24	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters
Targets	Disclosure of how target relates to resource outflows (resource use and circular economy) [text block]	ESRS E5.24	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters
Targets	Disclosure of how target relates to increase of circular product design [text block]	ESRS E5.24 a	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters, + add circular product design to the enumeration
Targets	Disclosure of how target relates to increase of circular material use rate [text block]	ESRS E5.24 b	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters, + add circular material use to the enumeration
Targets	Disclosure of how target relates to minimisation of primary raw material [text block]	ESRS E5.24 c	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters, + add primary raw materials to the enumeration
Targets	Disclosure of how target relates to sustainable sourcing and use of renewable resources [text block]	ESRS E5.24 d	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters, + add sustainable sourcing to the enumeration



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Targets	Disclosure of how target relates to waste management [text block]	ESRS E5.24 e	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters
Targets	Disclosure of how target relates to other matters related to resource use or circular economy [text block]	ESRS E5.24 f	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters
Targets	Disclosure of process for setting time-bound and outcome-oriented targets [text block]	ESRS S4.41, ESRS S2.42, ESRS S3.42, ESRS S1.47	Description of methodologies and significant assumptions used to define target [text block]	ESRS 2.80 f	+ enumeration with sustainability matters, ESRS 2.80 f does not specify 'time-bound and outcome-oriented', but it is still mentioned in ESRS 2.79b
Targets	Disclosure of stability of target over time in terms of definitions and methodologies to enable comparability [text block]	ESRS S4 AR 42 b, ESRS S2 AR 45 b, ESRS S3 AR 44 b, ESRS S1 AR 49 b	Description of any changes in target and corresponding metrics or underlying measurement methodologies, significant assumptions, limitations, sources and adopted processes to collect data [text block]	ESRS 2.80 i	+ enumeration with sustainability matters
Targets	Disclosure of time-bound and outcome-oriented targets [text block]	ESRS S4.38, ESRS S2.39, ESRS S3.39, ESRS S1.44	Description of scope of target [text block]	ESRS 2.80 c	+ enumeration with sustainability matters, ESRS 2.80 f does not specify 'time-bound and outcome-oriented', but it is still mentioned in ESRS 2.79b
Targets	Disclosure of how value chain workers / affected communities / consumers and end-users, their legitimate representatives or credible proxies were engaged directly in setting targets [text block]	ESRS S4.41 a, ESRS S2.42 a, ESRS S3.42 a	Disclosure of how stakeholders have been involved in target setting [text block]	ESRS 2.80 h	+ enumeration with sustainability matters

## Appendix 2: Public consultation questions

Hereinafter are reported the questions of the public consultation.

**Q1:** Do you agree that the digital Draft ESRS Set 1 XBRL Taxonomy adequately represents the ESRS disclosure requirements?

**Q2:** Do you agree that the Draft ESRS XBRL Taxonomy as currently designed meets the needs of users (analysts, data providers, financial institutions, investors, regulators, etc.)? If not, what could be improved?

**Q3:** Do you agree with the hierarchy provided in the presentation linkbase of the Draft ESRS XBRL taxonomy, including the Level 1, 2 and 3 of narrative textblock tags (as explained in Section 6.5. of the Explanatory Note and Basis for Conclusions)? And if not, what could be improved?

**Q4:** Do you agree with the way EFRAG has reused XBRL elements in the Draft ESRS XBRL Taxonomy to avoid double-tagging, as described in Section 6.6. of the Explanatory Note and Basis for Conclusions, and as implemented for ESRS MDR elements?

**Q5b:** Do you agree that the technical and conditional Booleans as described in Section A1.1. of the Explanatory Note and Basis for Conclusions provide a clear benefit for users since they allow for tagging of positive and negative confirmations?

**Q6a (XBRL experts only):** Do you agree with the dimensional modelling of the ESRS XBRL taxonomy and, in particular, with the implementation of typed dimensions for IROs, policies, actions, targets and metrics as described in Section A1.6. of the Explanatory Note and Basis for Conclusions?

**Q6b (XBRL experts only):** Do you agree with the introduction of open hypercubes for optional disaggregation as described in Section A1.6. of the Explanatory Note and Basis for Conclusions? If not, how should it be improved?

**Q7:** Do you agree with the approach that minimises the need for XBRL taxonomy extensions, therefore supporting comparability across preparers and relevance by providing mechanisms for tagging the following disclosures, as described in Section 6.9 of the Explanatory Note and Basis for Conclusions?

1. IROs, Policies, Actions and Resources, Targets and Metrics.
2. Additions to ESRS datapoints.
3. Disclosures stemming from other legalisations or generally accepted sustainability standards and frameworks.
4. Other entity-specific disclosures, including metrics.

If not, how should it be improved?

**Q8:** Do you think that the validation rules implemented in the Draft ESRS XBRL Taxonomy as described in Section 6.8. of the Explanatory Note and Basis for Conclusions are appropriate? If not, please explain why and/or which additional validation rules or consistency checks should be implemented.