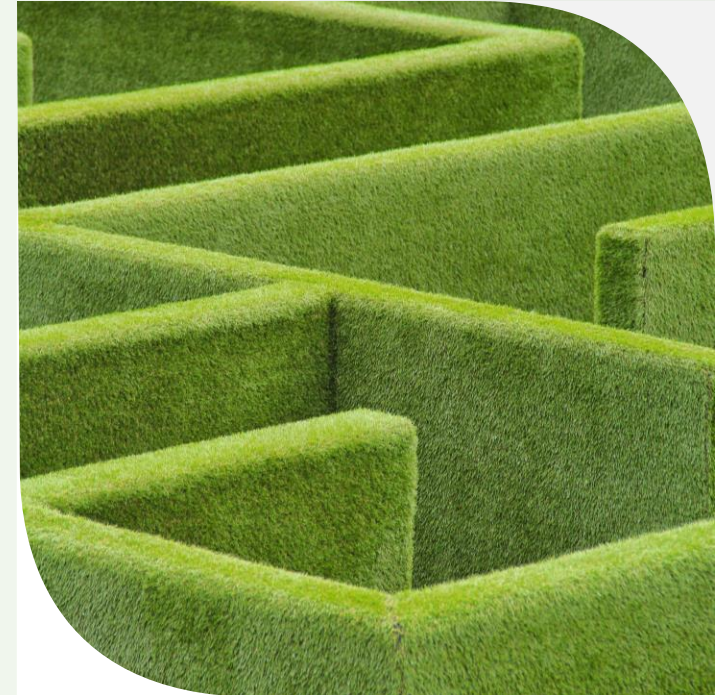


# LSME Public Consultation results (ONLINE SURVEY)

Agreement/disagreement rates per question

Paper 06-01

Brussels, 17 July 2024



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- Key questions:
  - Part A Public Consultation
    - Q1-10 of the public consultation questionnaire
- Specific questions for each section of the ESRS LSME ED:
  - Part B
    - Section 1: General requirements, Q11
    - Section 2: General disclosures, Q13, Q15, Q16
    - Section 3: Policies, Actions and Targets, Q17,
    - Section 4: Environment, Q19, Q21, Q22
    - Section 5: Social, Q23
    - Section 6: Business conduct, Q25

**This presentation does not include the analysis of the feedback received through comment letters and should be read in conjunction with paper 06-02 and 06-03. The summary of the feedback received with comment letters is available in paper 06-03**



## Key questions

# Part A Q1) Agreement with the development of LSME ED as a simplification of ESRS Set 1

	Agree	Disagree
Overall, 68 out of 69, 99% response rate	50 out of 68, 74%	18 out of 68, 26%
Preparers (and proxies for preparers), 26 out of 27, 96% response rate	18 out of 26, 69%	8 out of 26, 31%
Users (and proxy for user), response rate, 10 out of 10, 100% response rate	9 out of 10, 90%	1 out of 10 users, 10%
Other, 32 out of 32, 100% response rate	23 out of 32 others, 72%	9 out of 32 others, 28%

## Part A Q2) Agreement with approach on EU datapoints

	Agree	Disagree
Overall, 63 out of 68, 91% response rate	51 out of 63, 81%	12 out of 63, 19%
Preparers, 22 out of 27, 81% response rate	18 out of 22 preparers, 82%	4 out of 22 preparers, 18%
Users, 10 out of 10, 100% response rate	10 out of 10 users, 100%	0 out of 10 users, 0%
Other, 31 out of 32, 97% response rate	23 out of 31 others, 74%	8 out of 31 others, 26%

## Part A Q3) Agreement with prioritising of simplification over interoperability with ISSB standards

	Agree	Disagree
Overall, 57 out of 69, 76% response rate	52 out of 57, 91%	5 out of 57, 9%
Preparers, 20 out of 27, 74% response rate	20 out of 20 preparers, 100%	0 out of 20 preparers, 0%
Users, 10 out of 10, 100% response rate	7 out of 10 users, 70%	3 out of 10 users, 30%
Other, 27 out of 32, 84% response rate	25 out of 27, 93%	2 out of 27, 7%

# Part A Q4) Agreement with approach taken on entity-specific disclosure

	Agree	Disagree
Overall, 66 out of 69, 96% response rate	51 out of 66, 77%	15 out of 66, 23%
Preparers, 24 out of 27, 89% response rate	16 out of 24 preparers, 67%	8 out of 24 preparers, 33%
Users, 10 out of 10, 100% response rate	9 out of 10 users, 90%	1 out of 10 users, 10%
Other, 32 out of 32, 100% response rate	26 out of 32 others, 81%	6 out of 32 others, 19%



## Part A Q5) Agreement with materiality approach

	Agree	Disagree
Overall, 62 out of 69, 90% response rate	53 out of 62, 85%	9 out of 62, 15%
Preparers, 20 out of 27, 74% response rate	16 out of 20 preparers, 80%	4 out of 20 preparers, 20%
Users, 10 out of 10, 100% response rate	10 out of 10 users, 100%	0 out of 5 users, 0%
Other, 32 out of 32, 100% response rate	27 out of 32 others, 84%	5 out of 32 others, 16%

## Part A Q6) Agreement with the approach taken on Phase-ins

	Agree	Disagree
Overall, 61 out of 69, 88% response rate	38 out of 61, 62%	23 out of 61, 38%
Preparers, 24 out of 27, 63% response rate	6 out of 10 preparers, 60%	4 out of 10 preparers, 40%
Users, 10 out of 10, 100% response rate	9 out of 10 users, 90%	1 out of 10 users, 10%
Other, 27 out of 32, 52% response rate	14 out of 27, 52%	13 out of 27 others, 48%

# Part A Q7) Agreement with threshold of 50-employees for phasing-in provisions

	Agree	Disagree
Overall, 58 out of 69, 84% response rate	31 out of 58, 53%	27 out of 58, 47%
Preparers, 24 out of 27, 89% response rate	12 out of 24 preparers, 50%	12 out of 24 preparers, 50%
Users, 9 out of 10 users, 90% response rate	8 out of 9 users, 89%	2 out of 10 users, 11%
Other, 25 out of 32, 78% response rate	11 out of 25 others, 44%	14 out of 25 others, 56%

## Part A Q8) Agreement with “report if you have” approach

	Agree	Disagree
Overall, 62 out of 69, 90% response rate	43 out of 62, 69%	19 out of 62, 31%
Preparers, 23 out of 27, 85% response rate	15 out of 23 preparers, 65%	8 out of 23 preparers, 35%
Users, 9 out of 10, 90% response rate	9 out of 9 users, 100%	0 out of 9 users, 0%
Other, 30 out of 32, 94% response rate	19 out 30 others, 63%	11 out of 30 others, 37%

## Part A Q9) Agreement on the LSME as the VC cap

	Agree	Disagree
Overall, 37 out of 69, 54% response rate	22 out of 37, 59%	15 out of 37, 41%
Preparers, 15 out of 27, 56% response rate	8 out of 15 preparers, 53%	7 out of 15 preparers, 47%
Users, 6 out of 10, 60% response rate	6 out of 6 users, 100%	0 out of 6 users, 0%
Other, 16 out of 32, 50% response rate	8 out of 16 others, 50%	8 out of 16 others, 50%

# Part A Q10) Selection of possible approaches that could be used to support SMEs with the reporting of sector specific IROs

Undertakings applying ESRS LSME ED should apply, on a voluntary basis:	Sector specific guidelines and disclosures applicable to both listed and non-listed SMEs	The content of the future Sector ESRS for large undertakings.	Sector specific guidelines and disclosures designed for listed SMEs	Existing reporting practices, without specific EFRAG guidance.
Overall, 63 out of 69, 91% response rate	<b>30 out of 63, 48%</b>	9 out of 63, 14%	15 out of 63, 24%	9 out of 63, 14%
Preparer, 24 out of 27, 89% response rate	<b>11 out of 24, 46%</b>	3 out of 24, 13%	5 out of 24, 21%	5 out of 24, 21%
User, 9 out of 10, 90% response rate	<b>6 out of 9, 67%</b>	1 out of 9, 11%	1 out of 9, 11%	1 out of 9, 11%
Other, 30 out of 32, 94% response rate	<b>13 out of 30, 43%</b>	5 out of 30, 17%	9 out of 30, 30%	3 out of 30, 10%



Specific questions

# Section 1 – General Requirements

Section 1	Preparer			User			Other		
	Response Rate	Agree	Disagree	Response Rate	Agree	Disagree	Response Rate	Agree	Disagree
Impacts; Risks and Opportunities	18 out of 27, 67%	78%	22%	8 out of 10, 80%	100%	0%	22 out of 32, 69%	68%	32%
6.1 Presenting comparative information	18 out of 27, 67%	67%	33%	8 out of 10, 80%	75%	25%	22 out of 32, 69%	86%	14%
6.2 Sources of estimation and outcome uncertainty	18 out of 27, 67%	72%	28%	8 out of 10, 80%	100%	0%	21 out of 32, 66%	90%	10%
6.3 Updating disclosures about events after the end of the reporting period	18 out of 27, 67%	78%	22%	8 out of 10, 80%	88%	13%	20 out of 32, 63%	90%	10%
6.5 Reporting errors prior period	17 out of 27, 63%	71%	29%	8 out of 10, 80%	100%	0%	20 out of 32, 63%	90%	10%
6.7 Matters in course of negotiation	18 out of 27, 67%	67%	33%	8 out of 10, 80%	100%	0%	20 out of 32, 63%	95%	5%



## Section 2 – General Disclosures

Section 2	Preparer			User			Other		
	Response Rate	Agree	Disagree	Response Rate	Agree	Disagree	Response Rate	Agree	Disagree
DR-1 (BP 1) - General basis for preparation of the sustainability statement and DR-2 (BP 2) - Disclosures in relation to specific circumstances	17 out of 27, 63%	76%	24%	9 out of 10, 90%	89%	11%	21 out of 32, 66%	76%	24%
DR-3 (GOV 1) - The role of the administrative, management and supervisory bodies	19 out of 27, 70%	79%	21%	9 out of 10, 90%	89%	11%	20 out of 32, 63%	70%	30%
DR-4 (GOV 2) – Due diligence	19 out of 27, 70%	47%	53%	8 out of 10, 80%	100%	0%	21 out of 32, 66%	67%	33%
DR-5 (SBM 1) - Strategy, business model and value chain	17 out of 27, 63%	65%	35%	9 out of 10, 90%	56%	44%	20 out of 32, 63%	80%	20%
DR-6 (SBM 2) - Interests and views of stakeholders	19 out of 27, 70%	68%	32%	9 out of 10, 90%	100%	0%	20 out of 32, 63%	70%	30%
DR-7 (SBM-3) - Material impacts and risks and their interaction with strategy and business model	17 out of 27, 63%	59%	41%	9 out of 10, 90%	67%	33%	18 out of 32, 56%	83%	17%
DR-8 (SBM 4) - Material opportunities and positive impacts as voluntary content	17 out of 27, 63%	94%	6%	9 out of 10, 90%	100%	0%	20 out of 32, 63%	70%	30%
DR-9 (IR 1) - Processes to identify and assess material impacts and risks	17 out of 27, 63%	65%	35%	9 out of 10, 90%	67%	33%	18 out of 32, 56%	78%	22%

## Part B Q15) Agreement with reinserting the “information about the resilience of the undertaking’s strategy”

	Agree	Disagree
Overall, 47 out of 69, 68% response rate	13 out of 47, 28%	34 out of 47, 72%
Preparers, 16 out of 27, 59% response rate	2 out of 16, 13%	14 out of 16, 88%
Users, 9 out of 10, 90% response rate	5 out of 9, 56%	4 out of 9, 44%
Other, 22 out of 32, 69% response rate	6 out of 22, 27%	16 out of 22, 73%

## Part B Q16) Agreement with keeping the requirements for the information related to current financial effects and anticipated financial effects in SBM-3 (see par. 35 c) and d)) as separate datapoints

	Agree	Disagree
Overall, 44 out of 69, 64% response rate	29 out of 44, 66%	15 out of 44, 34%
Preparer, 15 out of 27, 56% response rate	10 out of 15, 67%	5 out of 15, 33%
User, 9 out of 10, 90% response rate	6 out of 9, 67%	3 out of 9, 33%
Other, 20 out of 32, 63% response rate	13 out of 20, 65%	7 out of 20, 35%

## Section 3 – Policies, Actions and Targets

Section 3	Preparer			User			Other		
	Response rate	Agree	Disagree	Response rate	Agree	Disagree	Response rate	Agree	Disagree
MDR-P, MDR-A	16 out of 27, 59%	88%	13%	7 out of 10, 70%	86%	14%	18 out of 32, 56%	61%	39%
Policies and Actions across ESRS E1-E5 and S1-S4	17 out of 27, 63%	71%	29%	7 out of 10, 70%	86%	14%	20 out of 32, 63%	65%	35%
MDR-T	17 out of 27, 63%	82%	18%	7 out of 10, 70%	100%	0%	19 out of 32, 59%	53%	47%
Targets across ESRS E1-E5 and S1-S4	17 out of 27, 63%	88%	12%	7 out of 10, 70%	86%	14%	20 out of 32, 63%	45%	55%
Processes for engaging with own workforce, workers in the value chain, affected communities, consumers and end-users, and their representatives about impacts	17 out of 27, 63%	65%	35%	7 out of 10, 70%	100%	0%	19 out of 32, 59%	58%	42%
Processes to remediate negative impacts and channels for own workforce, workers in the value chain, affected communities, consumers and end-users to raise concerns	16 out of 27, 59%	69%	31%	7 out of 10, 70%	100%	0%	19 out of 32, 59%	68%	32%

# Section 4 – Environment

Section 4	Preparer			User			Other		
	Response rate	Agree	Disagree	Response rate	Agree	Disagree	Response rate	Agree	Disagree
DR E1-1 Energy consumption and mix	16 out of 27, 59%	69%	31%	8 out of 10, 80%	75%	25%	20 out of 32, 63%	85%	15%
DR E1-1 Energy intensity based on net revenue	17 out of 27, 63%	65%	35%	8 out of 10, 80%	88%	13%	20 out of 32, 63%	80%	20%
DR E1-2 Gross Scopes 1, 2, 3 and Total GHG emissions	17 out of 27, 63%	53%	47%	9 out of 10, 90%	78%	22%	21 out of 32, 66%	81%	19%
DR E1-2 GHG intensity based on net revenue	17 out of 27, 63%	59%	41%	8 out of 10, 80%	100%	0%	19 out of 32, 59%	84%	16%
DR E1-3 GHG removals and GHG mitigation projects financed through carbon credits	16 out of 27, 59%	69%	31%	8 out of 10, 80%	88%	13%	20 out of 32, 63%	90%	10%
DR E1-4 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	17 out of 27, 63%	41%	59%	8 out of 10, 80%	100%	0%	20 out of 32, 63%	85%	15%
DR E2-1 Pollution of air, water and soil	18 out of 27, 67%	72%	28%	7 out of 10, 70%	100%	0%	20 out of 32, 63%	80%	20%
DR E2-2 Substances of concern and substances of very high concern	15 out of 27, 56%	73%	27%	9 out of 10, 90%	100%	0%	20 out of 32, 63%	80%	20%
DR E3-1 Water consumption	18 out of 27, 67%	72%	28%	8 out of 10, 80%	88%	13%	20 out of 32, 63%	85%	15%
DR E4-1 Impact metrics related to biodiversity and ecosystems change	17 out of 27, 63%	47%	53%	8 out of 10, 80%	63%	38%	20 out of 32, 63%	75%	25%
DR E5-1 Resources inflows	17 out of 27, 63%	47%	53%	9 out of 10, 90%	100%	0%	19 out of 32, 59%	84%	16%
DR E5-2 Resources outflows	16 out of 27, 59%	50%	50%	9 out of 10, 90%	100%	0%	19 out of 32, 59%	89%	11%
DR E6 – Anticipated financial effects from material environmental-related matters other than climate	16 out of 27, 59%	50%	50%	8 out of 10, 80%	100%	0%	19 out of 32, 59%	84%	16%

Green: Agreement ≥ 70%, Yellow: Agreement 52% - 69%, Red: Agreement < 51%

## Part B Q21) (SNCl or investor) Agreement with the ED anticipating detailed guidance on disclosure breakdown for financed emissions

	Agree	Disagree
Overall, 8 out of 10, 80% response rate	6 out of 8, 75%	2 out of 8, 25%
SNCl, 2 out of 3, 67% response rate	2 out of 2 preparers, 100%	0 out of 2 preparers, 0%
User of sustainability reporting statements (e.g. bank or investor), 6 out of 7, 86% response rate	4 out of 6 users, 67%	2 out of 6 users, 33%

## Part B Q22) Agreement with the SNCIs having the option to use the proposed approach that allows the use of different metrics (rather than net revenues) to determine GHG emission intensity and water intensity

	Agree	Disagree
Overall, 39 out of 69, 57% response rate	30 out of 39, 77%	9 out of 39, 23%
Preparers, 13 out of 27, 48% response rate	8 out of 13, 62%	5 out of 13, 38%
Users, 8 out of 10, 80% response rate	7 out of 8, 88%	1 out of 8, 13%
Other, 18 out of 32, 56% response rate	15 out of 18, 83%	3 out of 18, 17%

# Section 5 – Social

Section 5	Preparer			User			Other		
	Response rate	Agree	Disagree	Response rate	Agree	Disagree	Response rate	Agree	Disagree
S1-1 Characteristics of employees	20 out of 27, 74%	80%	20%	8 out of 10, 80%	100%	0%	19 out of 32, 59%	89%	11%
S1-2 Characteristics of non-employees	19 out of 27, 70%	53%	47%	8 out of 10, 80%	88%	13%	19 out of 32, 59%	84%	16%
S1-3 Collective bargaining coverage and social dialogue	17 out of 27, 63%	88%	12%	8 out of 10, 80%	63%	38%	19 out of 32, 59%	95%	5%
S1-4 Adequate wages	16 out of 27, 59%	75%	25%	8 out of 10, 80%	88%	13%	19 out of 32, 59%	84%	16%
S1-5 Social protection	17 out of 27, 63%	88%	12%	8 out of 10, 80%	100%	0%	19 out of 32, 59%	79%	21%
S1-6 Training metrics	17 out of 27, 63%	71%	29%	8 out of 10, 80%	75%	25%	19 out of 32, 59%	84%	16%
S1-7 Health and safety metrics	17 out of 27, 63%	71%	29%	9 out of 10, 90%	89%	11%	19 out of 32, 59%	84%	16%
S1-8 Remuneration metrics	19 out of 27, 70%	68%	32%	8 out of 10, 80%	88%	13%	19 out of 32, 59%	95%	5%
S1-9 Incidents and severe human rights impacts and incidents	16 out of 27, 59%	94%	6%	7 out of 10, 70%	100%	0%	19 out of 32, 59%	89%	11%
S1-10 Diversity	16 out of 27, 59%	94%	6%	7 out of 10, 70%	100%	0%	19 out of 32, 59%	79%	21%
S1-11 Work-life balance metrics	19 out of 27, 70%	79%	21%	7 out of 10, 70%	100%	0%	19 out of 32, 59%	74%	26%



# Section 6 – Governance

Section 6	Preparer			User			Other		
	Response rate	Agree	Disagree	Response rate	Agree	Disagree	Response rate	Agree	Disagree
DR G1-1 – Management of relationships with suppliers	17 out of 27, 63%	82%	18%	9 out of 10, 90%	56%	44%	21 out of 32, 66%	90%	10%
DR G1-2 Anti-corruption and anti-bribery	17 out of 27, 63%	82%	18%	9 out of 10, 90%	78%	22%	20 out of 32, 63%	95%	5%
DR G1-3 – Political influence and lobbying activities	17 out of 27, 63%	76%	24%	8 out of 10, 80%	63%	38%	22 out of 32, 69%	82%	18%



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THANK YOU