

ESRS Set 1 revision: Questionnaire for public feedback

1.

Following a public call for contributions from EFRAG, this survey has been prepared by the EFRAG Secretariat to support the collection of written input that will inform the revision of ESRS Set 1.

The contributions will be anonymized and leveraged only in aggregate form, however name of contributors will be made available following your consent.

For viewing purposes, a pdf version of the questionnaire is available [here](#).

Questionnaire for public input on simplification of ESRS

EFRAG wishes to collect input from all the stakeholder categories on how to simplify ESRS, following the [Omnibus proposals](#) issued by the European Commission on 26 February 2025 and the [mandate](#) that EFRAG received on 27 March 2025.

SECTION 1 – PARTICIPANT GENERAL INFORMATION

1.1 Guidance for respondents

Where not specifically indicated, EFRAG welcomes input on question from all stakeholder categories.

Comments are most helpful when they:

- answer questions as stated;
- state the DR or paragraph(s) of ESRS Set 1 to which they relate;
- explained the cause of the identified issue; and
- describe practical example(s) relevant to the questions;
- include clear suggestions of amendments, if appropriate.

Please note the following elements for the compilation of the questionnaire:

Respondents can save the draft questionnaire and return to it at a later time. EFRAG will only consider submitted surveys.

Respondents can select and focus on the areas that are most impactful, thus do not have to consider all questions

For the questions requiring inclusion of a reference to IG3, and for consistency among the different replies, please indicate specific DPs that require consideration in your view by copy pasting the code defined in [IG3 – List of ESRS Data Points](#) (see column ID).

1.2 Respondent profile

Where not specifically indicated, questions refer to all stakeholder categories.

Name of organisation:

Koan Group

Do you consent to make publicly available only the name of your organisation as contributor to this questionnaire, while the content of your contribution will be anonymized and leveraged only in aggregate form?

Yes

Type of organisation (Drop down menu with the following categories):

Consultant

User (subcategories to open):

Other (please specify)

Country (principal location):

Netherlands

Sector(s) (if applicable)

If preparer, please specify whether you prepared an ESRS sustainability statement for your 2024 year end:

If yes

Please specify whether it was a voluntary or mandatory application

Please indicate if the ESRS sustainability statement was assured (limited/reasonable)

Please add an hyperlink to the report [add box for including hyperlink)

If preparer, please specify your size in terms of employee number:

2. (untitled)

SECTION 2 – GENERAL ASSESSMENT (OPTIONAL)

As preparer/user/other stakeholder, could you share your overall assessment about the implementation challenges and benefits that you have experienced or observed?

Sure! Here's a version capped at 1000 characters:

Key challenges with ESRS include excessive complexity and resource demands, especially for smaller companies, with limited strategic value. Many struggle to understand the requirements due to technical jargon and lack of clarity around materiality. The standards are often repetitive, with similar disclosures asked in slightly different ways, leading to redundant reporting. Reports tend to prioritize compliance over meaningful content. Implementation is uneven, varying by audit firm and country. The process also risks losing strategic relevance and limits effective stakeholder engagement. Simplifying the language used throughout ESRS would improve accessibility and usefulness.

3. (untitled)

SECTION 3 – QUESTIONS

1. PART 1 – HOW TO IMPROVE THE MATERIALITY ASSESSMENT

The Materiality Assessment process is critical to establish the perimeter of the sustainability statement and pivotal to ensure that undertakings only report material information, that they do not report unnecessary information nor dedicate excessive resources to the materiality assessment process.

Initial feedback seems to suggest that required disclosures on the process may be too detailed and the outcome of the process may lead to disclose too many/too detailed IROs. The Omnibus proposals have identified this area as to be clarified.

1.1. From your perspective (preparer/user/others), please share your suggestions on how to improve the ESRS provisions on materiality indicating the most critical and the most useful elements, in relation to

How to improve the ESRS provisions on materiality, in relation to:

- the definition of material impacts, risks and opportunities (IROs) under double materiality assessment

Please detail ESRS provisions on materiality improvements:

- There's a need to better distinguish between impacts (on people/environment) and risks/opportunities (for business).
- Risks and opportunities often offset each other—guidance needed on how to handle that.
- Would be helpful to have structured categories of financial risks (e.g., market, reputational).

How to improve the ESRS provisions on materiality, in relation to:

- the process to determine material matters, including how to factor implemented mitigation and prevention actions in the materiality assessment and how to define thresholds striking the right balance between completeness and decision-usefulness of information.

Please detail ESRS provisions on materiality improvements:

- The process is seen as too prescriptive, focusing more on process rather than outcome.
- Calls for simplification, qualitative flexibility, and reduced granularity (e.g., eliminate topic/sub-topic hierarchy) .
- Guidance is needed for complex organizations (e.g., at cluster or consolidated level) .
- Inconsistent threshold-setting (qualitative vs. quantitative) leads to non-comparability.
- Suggestion to cap the number of material topics to avoid overwhelming reports.

How to improve the ESRS provisions on materiality, in relation to:

- the process to determine material information to be reported (information materiality, ESRS 1 – paragraph 31 and

34) Please detail ESRS provisions on materiality improvements:

- How to deal with dependencies? What sort of information would have to be disclosed and how to treat them when talking about material topics.

How to improve the ESRS provisions on materiality, in relation to:

- the inclusion of material information based on entity-specific disclosures

Please detail ESRS provisions on materiality improvements:

- Insufficient guidance exists on where and how to include entity-specific topics.
- Companies are unsure whether to include policies and actions for these topics, with current focus mainly on metrics and targets.
- Gaps between AR.16 topics and available ESRS datapoints (e.g., "adequate housing" not reflected in S1) cause confusion.

How to improve the ESRS provisions on materiality, in relation to:

- the challenges related to the audit of the double materiality assessment (process and outcome)

Please detail ESRS provisions on materiality improvements:

- A standardized audit approach is needed—particularly for AR.16 use, categorization of impacts, and approach on dependencies.
- Auditors exert too much influence over the process, shifting focus away from the company's strategic context.

How to improve the ESRS provisions on materiality, in relation to:

- other (open a box to specify).

Please detail ESRS provisions on materiality improvements:

- AR.16 list should be updated and expanded (e.g., add cybersecurity).
- Remove unnecessary complexity in topic structuring (e.g., sub-sub-topics).
- Encourage more qualitative disclosures to allow clearer explanation of actual and potential impacts.

1.2. OPTIONAL: If possible, and if not specified already under point 1.1 above, please identify the narrative disclosure requirements (DRs) or datapoints (DPs) that raised the most critical challenges in determining the material information to be reported and share your suggestions.

Disclosure requirements (DR)

Datapoints (DP)

Comment on challenge:

Suggestion:

4. (untitled)

PART 2: HOW TO STREAMLINE NARRATIVE INFORMATION

Narrative information is a key part of sustainability reporting, in particular with respect to governance, strategy, business model, as well as policies, actions and targets (PATs). It is a key factor to meet the quality characteristics of relevance of information and fair presentation^[LS1] of the situation of the undertaking with respect to its sustainability matters. However, narrative information is difficult to compare. In determining the content of narrative information to be reported per disclosure requirements, ESRS combine a principles-based disclosure objective with a list of “shall” datapoints.

Initial feedback seems to suggest that the “shall disclose” datapoints in ESRS Set 1 may be too detailed and too prescriptive in that regard and that a proper balance between relevance/fair presentation, comparability and preparation effort has been difficult to achieve. The Omnibus proposals suggest to consider this point carefully for burden reduction purposes.

2.1. From your perspective (preparer/user/other), please share your suggestions on how to simplify narrative information, in relation to:

The options to reduce the number of “shall” datapoints (DPs):

Deleting datapoints that are not critical

Suggestions:

There is a need to reduce redundancy in the ESRS by deleting non-critical datapoints and merging similar ones, especially narrative disclosures, which often cause unnecessary repetition. Additionally, to improve clarity and enforceability, optional language like “may” should be removed, and essential requirements should be clearly stated using “shall.”

The potential overlaps between minimum disclosures requirements (MDRs) on Policies Actions and Targets (PATs) that are located in ESRS 2 and PAT “shall” datapoints located in topical standards:

Please select:

Simplifying MDRs on policies in ESRS 2

Comments

When it comes to MDR-Ps I would delete the point about 'inclusion of stakeholders' (MDR-P, par.65e), as it seems that most companies do not have any relevant information for their internal policies (Not very useful to have this information, doesn't add credibility to the policy).

On policies - simplify disclosures required to a) summary of contents, and b) explanation of how this addresses chosen material topic. Expand qualitative disclosure also to include overall approach.

Please select:

Simplifying MDRs on actions in ESRS 2

Comments

On actions - distinguish between 'permanent actions' (to be described qualitatively, and would include 'how we implement relevant policies') and new initiatives (taken/planned during reporting period - including explanation of what weaknesses in performance etc. these are designed to address).

On financial commitment - no need to disclose per action; stakeholders need only an idea of what proportion of resources are being committed to the topic; this can be done in qualitative paragraph + estimate of overall % of opex and capex.

Please select:

Simplifying MDRs on targets in ESRS 2

Comments

We'd suggest to remove this as it is not very common for companies to document this process and does not add too much value to reader: MDR-T par. 79 e. (e) whether and how stakeholders have been involved in target setting for each material sustainability matter.

Standardise disclosure on targets: target date, baseline, current performance and progress; include disclosure on whether on course or not.

Please select:

Merging MDR of ESRS 2 with "shall" PAT datapoints of topical standards

Comments

Simplify and loosen rules: remove MDR under ESRS 2 and make them part of topical standard disclosures (avoids confusion and allows EFRAG to tailor MDR to specific E, S or G topics)

Forward-looking information

On the other hand, please indicate the most critical and the most useful elements to be retained

Datapoints requiring companies to disclose when they expect to have a policy, target and/or action in place when they currently don't have any should be retained. I think this forces companies to look ahead, plan and enhance accountability to their commitments.

2.2. OPTIONAL – If possible, and if not specified already under point 2.1 Please identify the most critical narrative disclosure requirements and/or datapoints that require clarification, and share your suggestions

Please organise your comments and suggestions according to the sequence of the standards (cross-cutting, E topical, S topical, G topical):

Disclosure requirements (DR)

E1 – 1

Datapoints (DP)

Comment:

- There's a lack of clarity on how to conduct resilience analysis under ESRS E1-1. While scenario and resilience analyses are distinct, it's unclear what the resilience analysis should include in practice—e.g., is a simple statement of business model resilience enough? The language in the DR and AR could be simplified for better guidance.
- Undertakings excluded from Paris-aligned Benchmarks paragraph (E1-1 16 g) - makes no sense to include this reference as part of a sustainability report

Suggestions:**Disclosure requirements (DR)**

S2 - 1

Datapoints (DP)**Comment:**

Bring together 'management of the supply chain' (currently under Governance) with S2 (workers in the value chain), so that the new S2 would cover both social/environmental issues. Currently, companies are confused or frustrated that S2 focuses on social issues only.

Suggestions:**Disclosure requirements (DR)**

G1 – 1

Datapoints (DP)**Comment:**

Reorganise the Governance section; business conduct could go under ESRS 2 (sustainability governance paragraphs); management of supply chain goes to new S2. Rest could be disclosed by incorporation (referring to existing governance disclosures required elsewhere in Annual Reporting).

Suggestions:**Disclosure requirements (DR)**

GOV – 1

Datapoints (DP)**Comment:**

GOV, IRO and SBM disclosures as part of topical standards tend to be repetitive, I would enhance such disclosures as part of ESRS 2 in order to cover different topics, rather than include them in each topical standard

Suggestions:**Disclosure requirements (DR)**

S1 – 7

Datapoints (DP)**Comment:**

Non-employee data (S1-7) can be complex for a lot of companies that may not be collecting such information and also companies may not have the same definition of what 'non-employees' may entail and hence these datapoints are not comparable

Suggestions:**Disclosure requirements (DR)**

SBM – 1

Datapoints (DP)**Comment:**

Number of employees (head count) and Total number of employees (head count) (ESRS 2 SBM-1 40aiii) - repetitive as this information will be included as part of S1 which should be material for large majority of companies, if not all

Suggestions:

2.3. OPTIONAL If possible, and if not specified already under point 2.1 above, please beyond the need for clarification, identify the 10 most challenging narrative disclosure requirements (DRs) with an indication of the least important or most problematic datapoints (DPs) to prepare and share your suggestions:

Please organise your comments and suggestions according to the sequence of the standards (cross-cutting, E topical, S topical, G topical):

Disclosure requirements (DR)

E1 – 1

Datapoints (DP)

Comment on the challenge:

Environmental (E)

Simplify energy mix disclosure: Focus on broad categories (e.g., fossil vs. renewables), remove detailed subcategories like coal, oil, wind, etc.

Scope 3 emissions: Allow qualitative disclosure on the nature of value chain emissions instead of detailed breakdowns.

Locked-in emissions: More guidance and education needed for companies to understand and report on these.

Carbon credits & internal carbon pricing: Integrate this into net zero planning disclosures (e.g., E1-1).

Net zero roadmap: Replace granular lever-based emissions savings with a simple waterfall chart or roadmap to enhance readability and highlight main levers.

Resource use disclosure: Simplify to show percentage of recycled/reused materials rather than raw weight in tonnes or kg.

Suggestions:

Disclosure requirements (DR)

S2 - 1

Datapoints (DP)

Comment on the challenge:

Social (S)

Human rights complaints by channel: Consider removing this disclosure, as its value and purpose are unclear.

Suggestions:

Disclosure requirements (DR)

G1 – 1

Datapoints (DP)

Comment on the challenge:

Governance (G)

Stakeholder involvement in policy development: Consider scrapping this requirement.

Simplify policy disclosures: Streamline content and focus on essential elements only.

Simplify description of DMA process: Allow companies to host detailed descriptions online and link to them in the report.

IROs disclosure: Needs simplification to avoid unnecessary detail and repetition.

DMA at group level: Require disclosures at the consolidated reporting entity level, rather than by business division.

Methodology and assumptions: Relocate to 'basis of preparation' section, highlight only material assumptions.

Suggestions:

5. (untitled)

PART 3: HOW TO IMPROVE QUANTITATIVE INFORMATION AND EU REGULATION RELATED INFORMATION

Quantitative information (metrics) is in principle comparable (over time and between undertakings). Initial feedback seems to suggest that some required metrics may be too granular and/or not decision useful or may be difficult to prepare (due to difficulty to collect basic data or lack of maturity of the matter).

Furthermore, EU Regulations related information (SFDR, Climate Law, Pillar 3, Benchmark) was included in ESRS Set 1 to facilitate the appropriate flows of information between the various actors, in order to create consistency in reporting. In this context, its relevance with respect to general purpose sustainability reporting was not assessed by EFRAG. Initial feedback seems to suggest that certain datapoints may not meet the criteria to be included in the general-purpose sustainability reporting.

In addition, with respect to Article 8 of the Environmental Taxonomy Regulation 2020/852, it was decided to offer a placeholder in the sustainability statement for the information required under this regulation. In this context, its relevance with respect to general purpose sustainability reporting was not assessed by EFRAG. Initial feedback seems to suggest that this information has increased significantly the volume of information reported in the sustainability statement.

3.1. Please identify the most challenging quantitative DRs/DPs and share your suggestion on how to address the issue, in terms of:

- The relevance (least important, critical)
- The difficulty to prepare
- The need for clarification

Please organise your comments and suggestions according to the sequence of the standards (cross-cutting, E topical, S topical, G topical):

Disclosure requirements (DR)

Datapoints (DP)

Comment on the challenge:

Suggestion:

3.2. Do you have suggestions regarding EU regulation related datapoints (DPs)?

3.3. Do you have suggestions regarding Article 8 of the Environmental Taxonomy Regulation 2020/852 related information and its inclusion in the sustainability statement under a placeholder approach?

6. (untitled)

PART 4: HOW TO ADDRESS THE SIMPLIFICATION OF THE STANDARDS (STRUCTURE AND PRESENTATION) AND THE NEED FOR INTEROPERABILITY

Initial feedback seems to suggest that the current structure and presentation of reporting requirements in the standards may be difficult to understand and use and may have contributed to the inclusion of repetitive and duplicated content within the sustainability statement.

In addition, to avoid unnecessary regulatory fragmentation that could have negative consequences for undertakings operating globally, ESRS Set 1 has been drafted with the objective to contribute to the process of convergence of sustainability reporting standards at global level. The Omnibus proposals suggest to further enhance the already very high degree of interoperability with global sustainability reporting standards.

5.1. Please share your suggestions on how to improve and simplify the current structure and presentation of the

standards, in relation to:

Please select:

The relationship between the main body of the standards and the application requirements

Suggestions:

The ARs should come directly after the data point. It is not helpful going back-and-forth between reading the data point and the AR (which in some cases might be more than 20 pages apart).

5.2. Regarding interoperability, please:

If you are a preparer, indicate if you are reporting under another framework and which one:

If you are not reporting under another framework, indicate if you intend to do so and use which one:

Please share any suggestion you may have to enhance the already high level of interoperability of ESRS with other frameworks (ISSB, GRI, TCFD, TNFD, CDP). Please indicate DR/DPs if relevant.

If you are a user/other type of stakeholder.

Share your views on the importance and usefulness of interoperability from your perspective:

Potentially include as part of the main ESRS text, labels linking specific DRs or datapoints to other reporting frameworks so that everything is in a single consolidated document.

7. (untitled)

PART 6 – ANY OTHER COMMENT OR SUGGESTION

For instance, among others, in relation to format and presentation of the sustainability statement and its relationship with other parts of the management report, the communication of the company, the reporting boundaries, etc.

The ESRS should be designed with users in mind. In its current form, the language is overly complex and the content unnecessarily lengthy, making it impractical and resource-intensive to interpret. A simplified, less prescriptive approach would significantly enhance usability and deliver far greater value to reporting entities.

8. Thank You!

Thank you for taking our survey. Your response is very important to us.

You will receive a copy of your submitted questionnaire in your email.

The EFRAG Secretariat will anonymise contributions and leverage them only in aggregate form.