

JBA Comments on the Revised European Sustainability Reporting Standards (ESRS) Exposure Drafts by the European Financial Reporting Advisory Group (EFRAG)

#	Question	Answer	Comment
GENERAL FEEDBACK			
1	<p>11) Clarifications and simplification of the Double Materiality Assessment (DMA) (ESRS 1 Chapter 3) and materiality of information as the basis for sustainability reporting</p> <p>Do you agree that the proposed amendments have sufficiently simplified the DMA process, reinforced the information materiality filter and have succeeded in striking an acceptable balance between simplification and robustness of the DMA? Do you agree that the wording of Chapter 3 of ESRS 1 is sufficiently simplified?</p>	I partially agree and partially disagree	<ul style="list-style-type: none"> We welcome the revised draft for clearly stating that the DMA evaluation should align with ISSB Standards to a certain extent and avoid excessive costs. Furthermore, the clarification that only topics identified as material need to be reported—rather than the entire topical standards—is particularly helpful, as it enhances both flexibility and efficiency in reporting. However, it remains unclear to what extent stakeholders across the value chain should be considered to meet the requirements of the standards. Similar to the ISSB, industry-specific guidance could be provided to indicate the minimum disclosure expectations for each sector.
2	<p>12) New guidance in ESRS 1 on how to consider remediation, mitigation and prevention actions in assessing materiality of negative impacts</p> <p>Do you agree that the new guidelines clarify how</p>	I partially agree and partially disagree	<ul style="list-style-type: none"> We agree with the provision of clear guidance on how to consider remediation, mitigation, and prevention actions in the assessment of negative impacts. The inclusion of useful examples is particularly helpful for practical implementation. Nonetheless, it is still not entirely clear to what extent these guidelines contribute to improved comparability in reporting. From a comparability perspective, further clarification or standardisation may be necessary to ensure consistent

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	to consider remediation, mitigation and prevention implemented actions in the DMA, contributing to more relevant and comparable reporting?		application across entities.
3	13) Improved readability, conciseness and connectivity of ESRS Sustainability Statements Do you agree that these proposed Amendments, when combined with the other changes in the Amended ESRS, provide an appropriate level of flexibility to support more relevant and concise reporting, as well as to promote better connectivity with corporate reporting as a whole?	I agree	<ul style="list-style-type: none"> We agree with the improvements in readability, conciseness, and connectivity. The amendments are beneficial in clarifying that only material topics, not the full topical standards, need to be reported, thereby enhancing both flexibility and efficiency in sustainability reporting. Additionally, the introduction of new concepts such as “only once” and “undue cost and effort” helps reduce the practical burden in identifying IROs, determining the scope of the value chain, and reporting metrics, thereby promoting connectivity with corporate reporting as a whole. Moreover, these amendments contribute to enhancing interoperability with other international reporting standards such as the ISSB and SSBJ, supporting both practical applicability and global alignment of the ESRS framework.
4	14) Restructuring of the architecture and interaction between ESRS 2 and Topical Standards Do you agree that these proposed amendments strike an appropriate balance between (1) prescriptiveness of the requirements and preparation effort from the one hand, and (2) need for relevant and comparable information from the other?	I agree	<ul style="list-style-type: none"> We agree that the proposed amendments reduce the overlap between ESRS 2 and the topical standards, thereby clarifying the reporting requirements. This restructuring strikes an appropriate balance between reducing the reporting burden and ensuring the relevance and comparability of disclosed information.
5	15) Improved understandability, clarity and	I agree	<ul style="list-style-type: none"> We agree that the proposed amendments have improved the understandability, clarity, and accessibility of the ESRS. In particular, the Non-Mandatory

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	<p>accessibility of the Standard</p> <p>Do you agree that these proposed amendments achieve the desired level of clarity and accessibility?</p>		<p>Illustrative Guidance (NMIG) clearly distinguishes between mandatory data points, voluntary data points, and illustrative examples, facilitating an understanding of legal requirements and supporting practical implementation.</p> <ul style="list-style-type: none"> • These improvements benefit both preparers by reducing the burden and users by enhancing the clarity of information, thereby contributing to the overall effectiveness of the ESRS framework.
6	<p>16) Usefulness and status of “Non-Mandatory Illustrative Guidance” (NMIG)</p> <p>You are invited to provide your comments on the purpose of NMIG, if any.</p>	All	<ul style="list-style-type: none"> • We welcome the reduction in mandatory disclosure items through the introduction of the Non-Mandatory Illustrative Guidance (NMIG). In particular, the clear distinction within NMIG among mandatory data points, voluntary data points, and illustrative examples helps preparers better understand the scope of reporting obligations and reduces the practical burden. • This structure supports flexibility in reporting while clearly separating legal requirements from supplementary information, thereby contributing to improved quality and transparency in sustainability disclosures.
7	<p>17) Burden reliefs and other suggested clarifications</p> <p>Do you agree that these proposed Amendments provide sufficient relief and strike an acceptable balance between (a) responding to the stakeholders’ demands for burden reliefs and (b) preserving the transparency needed to achieve the objectives of the EU Green Deal, as well as interoperability with the ISSB’s IFRS S1 and S2?</p>	I agree	<ul style="list-style-type: none"> • We agree that the proposed amendments provide meaningful burden relief for preparers, and ensure alignment with ISSB Standards.
8	<p>18) Relief for lack of data quality on metrics (ESRS 1 paragraph 92)</p>	I agree	<ul style="list-style-type: none"> • We agree that the proposed relief for lack of data quality on metrics provides necessary flexibility for preparers and contributes to reducing the reporting

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	Do you agree that the proposed relief for lack of data quality on metrics strikes an acceptable balance between providing the necessary flexibility for preparers and avoiding undue loss of information?		burden.
9	19) Relief for anticipated financial effects Please select from the alternatives below the one that represents your view.	I agree with Option 2	<ul style="list-style-type: none"> Option 2 is welcomed for providing greater flexibility in disclosing anticipated financial effects, thereby reducing the practical burden on preparers. While Option 1 aligns with ISSB Standards, quantitative disclosures would require many entities to develop additional capabilities and tools, making implementation challenging at this stage. From the perspective of “undue cost and effort,” Option 2 offers a reasonable relief mechanism that supports both the effectiveness and practicality in sustainability reporting.
10	20) ESRS E1: Disclosures on Anticipated Financial Effects Do you agree that the amended paragraph 40, 41 and 42 of ESRS E1 strike an acceptable balance between (i) simplification and reporting effort and (ii) users’ needs? IF YOU REPLIED NO (disagree), SELECT THE PARAGRAPH ON WHICH YOU WANT TO EXPRESS AGREEMENT / DISAGREEMENT	I partially agree and partially disagree ESRS E1 - 40. (a) - (d) ESRS E1 - 41. (a) - (f) ESRS E1 - 42.	<ul style="list-style-type: none"> While the amendments introduce a certain level of simplification, we remain concerned that some of the disclosure requirements still diverge from those of ISSB Standards. In particular, the quantitative disclosure of the proportion of assets at material transition risk addressed by climate change mitigation actions, as required in paragraphs 41(a) and 41(b), poses practical challenges due to limited data availability. This may conflict with the principle of avoiding undue cost and effort. We believe that paragraph 41(e), when combined with other qualitative disclosures, can sufficiently illustrate transition risk management practices, potentially rendering paragraphs 41(a) and 41(b) redundant. Additionally, the disclosure of stranded asset ratios based on multiple scenario analyses (41(f)) should be reconsidered for optional disclosure or removal to ensure alignment with ISSB Standards.

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	(Multiple Choice):		
11	<p>21) Enhanced interoperability with the ISSB's Standards IFRS S1 and S2</p> <p>Do you agree that these proposed Amendments achieve an appropriate balance between increasing interoperability and meeting the simplification objectives?</p>	I partially agree and partially disagree	<ul style="list-style-type: none"> While the amendments are generally consistent with ISSB Standards, we are concerned that certain disclosure requirements exceed those of ISSB Standards and may impose additional burdens on preparers. Specifically, the quantitative disclosures in paragraphs 41(a) and 41(b) exceed requirements under ISSB Standards, and could be particularly challenging for entities reporting under multiple frameworks. To enhance alignment with international standards and ensure practical feasibility, such requirements should be reconsidered for optional disclosure or removal.
12	<p>22) Reduction in the number of mandatory and voluntary datapoints</p> <p>Do you agree that the proposed reduction in “shall disclose” datapoints (under materiality) strike an acceptable balance between burden reduction and preserving the information that is necessary to fulfil the objectives of the EU Green Deal?</p>	I agree	—
13	<p>23) Six datapoints exceptionally moved from “may” to “shall”</p> <p>Do you agree that these exceptions to the general rule are appropriate and justified?</p>	I agree	<ul style="list-style-type: none"> We do not identify any particular issues with the proposed change to make the six data points mandatory. Specifically, the requirement to disclose biodiversity and nature transition plans is applicable only if (a) nature is deemed a material topic and (b) a plan is already in place. Furthermore, the disclosure is limited to “key features,” which ensures flexibility and keeps the reporting burden manageable. This approach also aligns with voluntary disclosures already made by many organisations under the TNFD framework, making it a practical and acceptable

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			requirement.
14	<p>24) Four new mandatory datapoints (exception)</p> <p>Do you agree that these exceptions to the general rule are appropriate and justified?</p>	I agree	—
15	<p>25) Emphasis on ESRS being a “fair presentation” reporting framework</p> <p>Do you agree that explicitly requiring to adopt fair presentation in preparing ESRS sustainability statements will support a more effective functioning of the materiality filter, therefore enabling more relevant reporting and reducing the risk of excessive reported information?</p>	I partially agree and partially disagree	<ul style="list-style-type: none"> • We appreciate the explicit emphasis on ESRS being a “fair presentation” reporting framework, as it may help reinforce the application of the materiality principle and improve the relevance of disclosures. • However, we are concerned that the ESRS does not clearly state that immaterial information does not need to be disclosed. As ISSB Standards explicitly specify this point, a similar clarification in the ESRS would help avoid unnecessary disclosures, thereby enhancing the efficiency and practical usefulness of sustainability reporting.
16	<p>26) Exception for Financial Institutions' Absolute Climate Reduction Target</p>	I agree that financial institutions should be exempted from disclosing climate absolute GHG emission values targets when they have only set intensity targets	<ul style="list-style-type: none"> • We agree that financial institutions should be exempted from disclosing absolute GHG emission reduction targets when they have only set intensity-based targets. For example, in the power sector, emission intensity is often used as a more appropriate metric due to the necessity to meet growing electricity demand while transitioning to cleaner energy sources. • Similarly, for financial institutions whose emissions largely depend on investees and borrowers, setting absolute targets can be impractical. Intensity-based targets are often more reasonable and reflective of their operational realities. Therefore, the proposed exemption is appropriate and supports flexibility and feasibility in implementation.

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17	<p>27) ESRS S1: New Threshold for Reporting Metrics Disaggregated at Country Level</p> <p>Do you agree with the change to the threshold for country-by-country disclosure for the DRs ESRS S1-5 and ESRS S1-7?</p>	I agree	<ul style="list-style-type: none"> We agree with the introduction of the new threshold for country-by-country disclosure under ESRS S1-5 and S1-7. This revision helps reduce the reporting burden for preparers by narrowing the scope of required disclosures, while still ensuring that users receive meaningful and relevant information.
18	<p>28) ESRS S1: Calculation approach to adequate wages outside the European Union (EU)</p> <p>Do you agree with the proposed change to the methodology for the calculation of non-EU adequate wages in ESRS S1?</p>	I agree	—
19	<p>29) SFDR and other EU datapoints in Appendix B of Amended ESRS 2</p> <p>Do you agree with the way the SFDR PAI have been incorporated in the Amended ESRS? You are invited to explain the reason why you agree or disagree and to provide your suggestions for improvements or alternative simplification proposals, if any.</p>	I agree	—
20	30) ESRS E4 DR E4-4	I agree	—

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	<p>Do you agree that EFRAG should review AR 26 in Amended ESRS E4? Please provide suggested wording.</p> <p>You are invited to provide suggestions for improvements, if any.</p>		
21	<p>31) ESRS S1 DR15: Gender pay gap</p> <p>Do you agree with the deletion of the voluntary datapoint on adjusted gender pay gap?</p> <p>You are invited to provide suggestions for improvements, if any.</p>	I agree	—
22	<p>32) ESRS G1 DR G1-2 and G1-6: Payment practices</p> <p>Is the current replacement/formulation sufficient to meet the objectives of the CSRD in respect to the protection of SMEs?</p> <p>You are invited to provide suggestions for improvements, if any.</p>	I agree	—

(End)