

Name of the organization: AMANA consulting GmbH

Type of stakeholder: Software vendors

Country: Europe

Q1:

We don't have the expertise to answer this questions.

Q2:

We don't have the expertise to answer this question.

Q3:

We appreciate the creation of a proper hierarchy in the taxonomy. Not only does this provide a clearer understanding for the users, but this information can also be leveraged in a tool to provide information about the completeness of the narrative information, regardless of the actual level used for a tag. This is also true for navigating a document since it is always clear which Level 1 tag belongs to a Level 2 or 3 tag. A much appreciated improvement over the ESEF taxonomy. We also support the recommendation not to apply nested tagging unless information is not completely captured by Level 2 and Level 3 tags. This will lessen the tagging burden on the preparers. We note that there are a significant number of narrative elements at deeper levels 4, 5, 6, 7 and 8. It would be great to clarify how these relate to the Level 1-3 tags mentioned in the Explanatory Note. This extends the possibility of even more detailed tagging that will allow for better analysis, comparison, and evaluation of normative elements. We welcome this level of hierarchy; however, we anticipate that tagging a report at this level of detail will cost time and resources for users.

Q4:

The process outlined in section 6.6 is far from trivial. We doubt that non-xml-savy preparers will understand the complex linking between Policies, Actions and Targets. This does require significant software support for all involved parties (Preparers, Auditors, Consumers) to be usable and less error-prone. Typed Dimensions which just represent a technical identifier are not easily understandable in the context of iXBRL. To support this approach, iXBRL viewers will have to be updated to make sense of the tagged data. The tags referring to a Name OR identifier should be renamed to make clear which of the two is to be used. The identifier should always be a technical ID that the users ideally don't need to see or understand. The name should be used when describing or referring to the PAT in the human-readable layer of the report. Giving the preparer an option to choose between the two will lead to confusion. Another option would be to create a second hypercube containing the technical identifiers for the PATs to be linked. This would have the advantage of strong, proper links between the PATs. The disadvantage is of course that this adds even more complexity and information in the XBRL layer that is not 1:1 available in the human-readable layer. Since the ESRS taxonomy has quite some mechanisms that need proper software support to be usable anyway, we don't think this would make the preparers job more complicated.

Q5a:

We do agree and we see the use. Nonetheless we want to highlight, that especially the use of enumerations creates a disconnect between the human-readable and the machine-readable layer of a report, which creates an additional burden when consuming and auditing reports.

Q5b:

We agree with the approach and do think, that there is a benefit. Some boolean elements have been identified with a negative formulation which may lead to confusions: "Policies and (or) actions have not been adopted", "Measurable outcome-oriented targets have not set" and "Undertaking is not required to draw-up financial statements". Here both values could mean the same thing, for example: "Yes, policies have not been adopted" as well as "No, policies have not been adopted". We would advise to have clear and concise labels. The following boolean elements can carry different interpretations: "Extent to which assets and business activities may be exposed and are sensitive to identified climate-related hazards has been assessed" and "Extent to which assets and business activities may be exposed and are sensitive to identified transition events has been assessed." If the idea of the boolean is to affirm or deny in these two examples the word "are sensitive" implies a broader analysis than an affirmation or negation. Different grammatical structures were identified for Boolean element, it would be useful to have a standard formulation for a better identification, use and understanding for this type of element. Including a label with a short explanation may be useful. The IFRS Foundation (from the 2024 taxonomy onwards) has for example added both a Documentation label and a CommentaryGuidance label for the concept FinancialStatementsComplyWithIFRSs.

Q6a:

See answer to Q4.

Q6b:

For this mechanism to work reliably on all side (preparers, auditors, consumers) again ESRS-specific changes to the XBRL software are necessary. It cannot be expected that the preparers understand how to tag a table with seven possible dimensions in a way that is valid. Also audit software needs ESRS-specific checks that verify these half-open hypercubes. We are not sure this is a good approach. In any case this would need proper filing rule and conformance suite support if it remains implemented this way. As a general rule of thumb we would advise against using more than two dimensions in a table.

Q7:

We agree in general that this is a good approach. Please see answers to Q4 and Q6b for further feedback.

Q8:

We agree that it makes sense to have validations for mandatory tags. We don't think the warnings and informations make sense for the users. Warnings are often interpreted as errors that are to be solved and thus not fitting the intended use here. Informations are often not shown at all and thus also don't fit the use case. With the current implementation there are a lot of messages when validating a report, which will lead to confusion among preparers.

Q9:

References: References are a great tool to get additional information about the background for a tag. Unfortunately, it is not as straightforward to finding the content based on the references in the ESRS taxonomy. The IFRS taxonomy provides a link to a specific description as part of the references. This would be a great addition to the taxonomy. Furthermore, having references for all concepts (especially typed dimensions) with further information would be really helpful. Out of 4252 concepts the reference for 1816 concepts is missing. We believe it would be helpful to include the missing references for users to have more clarity and facility in the process of tagging, auditing, and analysis. Alternatively, information that is helpful during the tagging process could be made available as part of the documentation label for a given concept.

Fact-to-Fact relationships: While arc roles are an integral part of XBRL, the way they are supposed to be used here again is a very specific implementation for the ESRS. This again requires specific software support on the preparer, auditor and consumer side to be of any value and to not overburden the users. To us it is also unclear what the value for the preparer is and how they are going to access this additional information.

Tagging Target Years: When tagging facts with Milestones and Target Years it should be clear which period has to be used for the facts themselves (Start- and EndDate). In the illustrative report part E1-4 two different approaches have been used: 1. Tagging the Reporting Scope Member 2050 and setting the period for the fact to 01.01.2050 to 31.12.2050 2. Tagging the Reporting Scope Member 2045 and settings the period for the fact to the current reporting period of the report (in this example 01.01.2026 to 31.12.2026) The information about the target year is already in the dimension member for the Reporting Scope axis and does not need to be duplicated in the period of the fact. In our opinion the second approach makes a lot more sense, especially when thinking analyzing multiple reports of the same company in the future. If the period of the fact changes from one year to the next for the same target member it is easier to comprehend for consumers of a report how a target changed over time. As an example: In 2026 a company reports to cut emissions to 150 tons in 2045, a year later they report an adapted value of 100 tons in 2045. If both facts have the period of 2045 it is not as easy to visualize the change as when the first report reports the value with the 2026 reporting period, and the second with the 2027 reporting period. If a consumer loads multiple reporting years into an analysis tool, the following could be easily achieved with this approach:

Reporting Year Emissions Target in 2045 2026 610 2027 550 2028 400

EFRAG should endorse a filing rule to ESMA for this case, in order to make it clear and comparable among multiple companies. The Target Year could also become a Typed Dimension to facilitate this approach.

Illustrative examples: We appreciate the illustrative examples, as they provide an overview of how the taxonomy should be used. However, we have noticed that some elements are missing to be illustrated, for example the ESRS 2 tables. It would be great to have these examples.