

Name of the organization: KPMG

Type of stakeholder: Auditors/Assurance providers

Country: Germany

Q1:

Please note that we enclose full Comment Letter with the answers to the survey's questions and detailed comments in the appendix as an attachment in item 12 below. Representation of disclosure requirements and ability to meet user needs (relevant to question 1 and 2) We agree that the draft ESRS taxonomy represents the ESRS disclosure requirements. When tagging is to be applied at the most detailed level, it allows users to extract such detailed information and use it for their own needs. However, we recognize that the level of tagging to be applied is contingent upon the level of efforts made by the preparers regarding tagging. The preparers' effort and cost to report and tag in detail and users' needs for detailed structured information should be in balance. A more granular approach to tagging might undermine preparers' ability to present information in a way that best supports a coherent narrative across their sustainability disclosures. The ESRS disclosure requirements often include individual data points in a list of letters: a), b), c). These can be further disaggregated in a sub-list of items, identified by small roman numerals: i, ii, iii. The key assumption with such approach is that these individual data points are to be reported separately, so that they can be tagged individually. If the human readable report is not structured mirroring the exact a, b, c, i, ii, iii, structure, the same paragraph in the report may end up being tagged multiples times, referring to different levels of tagging. The underlying assumption could be challenged as we note a number of cases where multiple data points could reasonably be provided by a preparer in a single sentence, which will require the preparer to multi-tag the same sentence. The usefulness of information provided by individual data points for decision making by users could also be debated. As a result, we recognize that the level of disaggregation of sustainability disclosures, although not defined in the ESRS, may be influenced by the application of the required level of tagging. Real life examples will help preparers and users to understand how the sustainability disclosures could be tagged and to what extent structuring the data along the draft taxonomy is needed or even required. This also may help to identify whether and in which cases the tagging is overly complex or impractical. Although the Application Requirements (AR) in the ESRSs, in general, do not require separate disclosures, they describe how the mandatory information of the disclosure requirement shall be disclosed. We have noticed that several AR from ESRS S2 and E4 could be at least incorporated as references, or even as XBRL elements. This may improve the quality of the sustainability reporting.

Q2:

Representation of disclosure requirements and ability to meet user needs (relevant to question 1 and 2) We agree that the draft ESRS taxonomy represents the ESRS disclosure requirements. When tagging is to be applied at the most detailed level, it allows users to extract such detailed information and use it for their own needs. However, we recognize that the level of tagging to be applied is contingent upon the level of efforts made by the preparers regarding tagging. The preparers' effort and cost to report and tag in detail and users' needs for detailed structured information should be in balance. A more granular approach to tagging might undermine preparers' ability to present information in a way that best supports a coherent narrative across their sustainability disclosures. The ESRS disclosure requirements often include individual data points in a list of letters: a), b), c). These can be further disaggregated in a sub-list of items, identified by small roman numerals: i, ii, iii. The key assumption with such approach is that these individual data points

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Q3:

Hierarchy and double tagging (relevant to question 3 and 4) We support the hierarchy provided in the presentation linkbase and the proposed re-use of XBRL elements to avoid 'double-tagging'. While inclusion of a hierarchy within the draft ESRS taxonomy can provide structure to digital reporting, it also presents a dilemma for regulators regarding the requirements for tagging. This may raise questions such as: – Does a preparer need to double tag each disclosure with all applicable higher level XBRL-elements? Note that within the draft taxonomy up to level 9 of elements are listed – which may result that such a disclosure is tagged with 9 different XBRL-elements; or – Does a user need to be familiar with the hierarchy to combine all the associated elements in their analysis when only the most detailed level of tagging has been applied? We observe that an example of 'nested narrative tagging' (multi-tagging) was included within the document 'Draft ESRS Set 1 XBRL Taxonomy Explanatory Note and Basis for Conclusions', Section 6.5, Figure 2. When we looked at the illustrative examples however (e.g. ESRS 2, GOV-1) we saw that the tagging examples did not follow this multi-tagging approach. This illustrates that clear requirements and application guidance on how to use the elements of the taxonomy with a different granularity on the reported sustainability information will be key. Using dimensions to implement relationships between IROs, Policies, Targets and Actions may differ from how a preparer drafts its narratives. The assumption is that a clear linkage between IROs, Policies, Targets and Actions can be provided. The interconnected nature of sustainability-related risks and opportunities means that it is not always appropriate to separate individual risks and opportunities or the information about them. Furthermore, the complexity of multi-dimensional tagging, particularly for preparers that have not previously applied a taxonomy to their sustainability-related financial disclosures, may lead to inconsistent or incomplete practice. We recommend that such an approach is tested with actual disclosures of an entity.

Q4:

Hierarchy and double tagging (relevant to question 3 and 4) We support the hierarchy provided in the presentation linkbase and the proposed re-use of XBRL elements to avoid 'double-tagging'. While inclusion of a hierarchy within the draft ESRS taxonomy can provide structure to digital reporting, it also presents a dilemma for regulators regarding the requirements for tagging. This may raise questions such as: – Does a preparer need to double tag each disclosure with all applicable higher level XBRL-elements? Note that within the draft taxonomy up to level 9 of elements are listed

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Q5a:

Booleans (relevant to question 5) We agree that the implementation of semi-narrative (yes/no Booleans, drop-down enumerations) enriches the narrative disclosures and is relevant for users. However, in some cases the proposed semi-narrative elements may not be useful without additional information to understand the context of the categorisation. The ESRS appears to allow for "shades of grey". For example, the proposed Boolean element 'Climate-related considerations are factored into remuneration of members of administrative, management and supervisory bodies' may generate a 'true' response from several companies, but the extent to which climate-related considerations are factored into remuneration may vary significantly. Furthermore, we have some concerns that a human readable disclosure could be different from the XBRL Boolean data. For example, if the 'whether' is a full paragraph where the preparer elaborates on a specific matter, and this is just being converted to a plain 'yes' or 'no' in XBRL. This may impact the auditability of such disclosures. We suggest EFRAG reviews the appropriateness of each proposed Boolean element and eliminates any elements that would not provide useful information or might otherwise require companies to provide a 'true'/'false' response where a more nuanced analysis would be appropriate. Some additional considerations for Booleans: — Could be more clearly defined what "true" means for a Boolean element (e.g. "true" is only used when the answer is yes for 100% of the cases). This could be helpful for the following examples: E4 ESRS E2 80g / E4 18c / E4 19a / E4 32b / E4 17ei; — Within ESRS E4 taxonomy, more Boolean elements would be expected. For example E4 17eii / E4 23a / E4 36 / E4 38 / E4 AR19 / E4 AR20b / E4 AR20c);

Q6b:

Appropriateness of Validation rules (relevant to question 8) Validation rules in a taxonomy support the preparer and their auditors in validation of the digital report. The implementation of such rules as described in section 6.8 of the 'Explanatory Notes and Basis for Conclusions' document appear to be appropriate. With the implementation of ESEF on the annual financial report we have seen that some issuers have tried to minimize the number of warnings and have used XBRL-elements 'Name of parent entity' and/or 'Name of ultimate parent of group' while no parent entity or ultimate parent of group exists. Considering which validation rules to implement, the timing of this and the severity of messages (error/warning/information) is therefore important. This is especially relevant as phase-in provisions might be applied, which could also result in false positive validation results when the

tagging is omitted. Which may lead to unwanted or diversity in tagging approaches and discussions between preparers and their auditors. We would also like to suggest caution with the use of validations when it comes to xsi:nil values. If disclosures of information prescribed by datapoints derived from other EU legislation are omitted, those shall be 'explicitly stated' to be 'not material' (ESRS 1, paragraph 35). Per the 'Draft-ESRS-Set1-XBRL-Taxonomy-Explanatory-Note-and-Basis-for-Conclusions', which accompanied the draft ESRS XBRL Taxonomy, it is stated that "In an XBRL report, this could be done by tagging the fact and setting the xsi:nil attribute to true." Similar to our comments regarding the use of Boolean's, this will result in a difference between the human readable and machine-readable layer; an explicit statement that a datapoint is not material is different from an empty XBRL fact. This may also impact the auditability of the digital reporting. Additional validation rules could be considered for a list of mandatory disclosures illustrated by the use of the word "shall" for a topic that is determined as being material or for some basic consistency checks (such as "positive value" tests to highlight negative value for some indicators such as energy consumption, water consumption, waste generated, percentage between 0 and 100 when appropriate, etc.).

Q7:

Other comments (relevant to question 9) Interoperability Digital reporting has an important role to play in facilitating the adoption of Sustainability Disclosure Standards globally. Interoperability of taxonomy requirements is therefore an important goal. We are aware that other sustainability disclosure taxonomies are currently under development in various jurisdictions. The IFRS Sustainability Disclosure Taxonomy may have different elements, not only because of the different disclosure requirements, but also because of the different architecture or tagging granularity. We support EFRAG's engagement with other jurisdictions and sustainability standard setters to support interoperability, whilst recognising that a taxonomy mapping can only be developed once interoperability between the standards has been established. Structure of Sustainability Disclosures The ease of tagging of a high number of elements, as included within the Draft ESRS Taxonomy, depends on how the sustainability disclosures have been drafted. If drafted with the structure of the ESRS taxonomy in mind, the tagging becomes relatively easy. If not, then a preparer may find it difficult to identify the specific disclosure elements to tag and may end up with certain paragraphs in its sustainability report which have to be tagged multiple times as they relate to a variety of elements. Using the structure, as defined in the taxonomy, should be emphasised. Auditability of tagging The nature and extent of audit procedures to support an opinion on the digital format depends on the tagging requirements and reporting manual (to be drafted by the European Securities and Market Authority, ESMA). These requirements may include reference to key themes such as multi-tagging, readability etc. Additional considerations for the taxonomy may arise once the tagging requirements have been adopted for the first time. Communication We realize that the draft taxonomy being drafted by EFRAG will be the basis for ESMA to develop draft Regulatory Technical Standards (RTS) for tagging the ESRS sustainability statement. The tagging rules will finally be adopted by the European Commission by way of a Delegated Act (DA) amending Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (hereafter 'ESEF Regulation'). Given the time needed to complete this extensive process it is more than likely that the taxonomy and tagging rules will not be in place when the first entities need to report on their sustainability disclosures. We assume that such report will be in XHTML format without any mandatory tagging. But it would be helpful if this approach is communicated clearly to avoid confusion or discussion in the market. We recognize that first time adoption of digital reporting (including tagging) can be a difficult task. The implementation of the ESEF taxonomy for financial statements has been a challenge for many preparers across Europe and they are still in a learning curve. A phased-in approach was taken to the implementation of ESEF for the financial statements. It may be relevant to consider a similar phased-in approach (e.g. at the first year only Level 1 items)

to give preparers time to build up experience with the tagging of their sustainability disclosures. The timely availability of sufficient guidance for preparers to assist them in implementing this taxonomy successfully will also be a key success factor.

Q9:

Appendix: detailed comments on EFRAG's draft ESRS XBRL taxonomy We appreciate the work done to provide a complete list of ESRS XBRL Taxonomy elements. We have provided detailed comments in the appendix in the attached file in item 12 below where further clarification or enhancement is needed. Please do not hesitate to contact Ronald van Langen (vanLangen.Ronald@kpmg.nl) or Christian Zeitler (czeitler@kpmg.com) if you wish to discuss any of the issues raised in this letter.



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Belgium

8 April 2024

Dear Mr de Cambourg

Draft ESRS Set 1 XBRL Taxonomy

We welcome the opportunity to comment on the Draft European Sustainability Reporting Standards (ESRS) Set 1 XBRL Taxonomy. We have consulted with, and this letter represents the views of, the KPMG network.

We understand that digital reporting can play an important role in the efficient use of sustainability disclosures by making extraction and comparison of information easier. We recognize and are pleased with the significant effort EFRAG has taken so far in developing the draft taxonomy based on the ESRSs.

In this letter we provide our high-level comments and observations on key aspects of the draft. We have linked these comments to the specific questions included in the consultation document. Detailed comments have been included in the appendix.

Representation of disclosure requirements and ability to meet user needs (relevant to question 1 and 2)

We agree that the draft ESRS taxonomy represents the ESRS disclosure requirements. When tagging is to be applied at the most detailed level, it allows users to extract such detailed information and use it for their own needs. However, we recognize that the level of tagging to be applied is contingent upon the level of efforts made by the preparers regarding tagging. The preparers' effort and cost to report and tag in detail and users' needs for detailed structured information should be in balance. A more granular approach to tagging might undermine preparers' ability to present information in a way that best supports a coherent narrative across their sustainability disclosures.

The ESRS disclosure requirements often include individual data points in a list of letters: a), b), c). These can be further disaggregated in a sub-list of items, identified by small roman numerals: i, ii, iii. The key assumption with such approach is that these individual data points are to be reported separately, so that they can be tagged individually. If the

human readable report is not structured mirroring the exact a, b, c, i, ii, iii, structure, the same paragraph in the report may end up being tagged multiples times, referring to different levels of tagging. The underlying assumption could be challenged as we note a number of cases where multiple data points could reasonably be provided by a preparer in a single sentence, which will require the preparer to multi-tag the same sentence. The usefulness of information provided by individual data points for decision making by users could also be debated. As a result, we recognize that the level of disaggregation of sustainability disclosures, although not defined in the ESRS, may be influenced by the application of the required level of tagging.

Real life examples will help preparers and users to understand how the sustainability disclosures could be tagged and to what extent structuring the data along the draft taxonomy is needed or even required. This also may help to identify whether and in which cases the tagging is overly complex or impractical.

Although the Application Requirements (AR) in the ESRSs, in general, do not require separate disclosures, they describe how the mandatory information of the disclosure requirement shall be disclosed. We have noticed that several AR from ESRS S2 and E4 could be at least incorporated as references, or even as XBRL elements. This may improve the quality of the sustainability reporting.

Hierarchy and double tagging (relevant to question 3 and 4)

We support the hierarchy provided in the presentation linkbase and the proposed re-use of XBRL elements to avoid 'double-tagging'.

While inclusion of a hierarchy within the draft ESRS taxonomy can provide structure to digital reporting, it also presents a dilemma for regulators regarding the requirements for tagging. This may raise questions such as:

- Does a preparer need to double tag each disclosure with all applicable higher level XBRL-elements? Note that within the draft taxonomy up to level 9 of elements are listed – which may result that such a disclosure is tagged with 9 different XBRL-elements; or
- Does a user need to be familiar with the hierarchy to combine all the associated elements in their analysis when only the most detailed level of tagging has been applied?

We observe that an example of 'nested narrative tagging' (multi-tagging) was included within the document 'Draft ESRS Set 1 XBRL Taxonomy Explanatory Note and Basis for Conclusions', Section 6.5, Figure 2. When we looked at the illustrative examples however (e.g. ESRS 2, GOV-1) we saw that the tagging examples did not follow this multi-tagging approach. This illustrates that clear requirements and application guidance on how to use the elements of the taxonomy with a different granularity on the reported sustainability information will be key.

Using dimensions to implement relationships between IROs, Policies, Targets and Actions may differ from how a preparer drafts its narratives. The assumption is that a clear linkage between IROs, Policies, Targets and Actions can be provided. The interconnected nature of sustainability-related risks and opportunities means that it is not always appropriate to separate individual risks and opportunities or the information about them. Furthermore, the complexity of multi-dimensional tagging, particularly for preparers that have not previously applied a taxonomy to their sustainability-related financial disclosures, may lead to inconsistent or incomplete practice. We recommend that such an approach is tested with actual disclosures of an entity.

Booleans (relevant to question 5)

We agree that the implementation of semi-narrative (yes/no Booleans, drop-down enumerations) enriches the narrative disclosures and is relevant for users.

However, in some cases the proposed semi-narrative elements may not be useful without additional information to understand the context of the categorisation. The ESRS appears to allow for "shades of grey". For example, the proposed Boolean element 'Climate-related considerations are factored into remuneration of members of administrative, management and supervisory bodies'¹ may generate a 'true' response from several companies, but the extent to which climate-related considerations are factored into remuneration may vary significantly.

Furthermore, we have some concerns that a human readable disclosure could be different from the XBRL Boolean data. For example, if the 'whether' is a full paragraph where the preparer elaborates on a specific matter, and this is just being converted to a plain 'yes' or 'no' in XBRL. This may impact the auditability of such disclosures.

We suggest EFRAG reviews the appropriateness of each proposed Boolean element and eliminates any elements that would not provide useful information or might otherwise require companies to provide a 'true'/'false' response where a more nuanced analysis would be appropriate.

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Validation rules in a taxonomy support the preparer and their auditors in validation of the digital report. The implementation of such rules as described in section 6.8 of the 'Explanatory Notes and Basis for Conclusions' document appear to be appropriate. With the implementation of ESEF on the annual financial report we have seen that some issuers have tried to minimize the number of warnings and have used XBRL-elements 'Name of parent entity' and/or 'Name of ultimate parent of group' while no parent entity or ultimate parent of group exists. Considering which validation rules to implement, the timing of this and the severity of messages (error/warning/information) is therefore important. This is especially relevant as phase-in provisions might be applied, which

¹ This Boolean element relates to ESRS; Number: E1; Paragraph: 13; Section: GOV-3

could also result in false positive validation results when the tagging is omitted. Which may lead to unwanted or diversity in tagging approaches and discussions between preparers and their auditors.

We would also like to suggest caution with the use of validations when it comes to *xsi:nil* values. If disclosures of information prescribed by datapoints derived from other EU legislation are omitted, those shall be 'explicitly stated' to be 'not material' (ESRS 1, paragraph 35). Per the 'Draft-ESRS-Set1-XBRL-Taxonomy-Explanatory-Note-and-Basis-for-Conclusions', which accompanied the draft ESRS XBRL Taxonomy, it is stated that "In an XBRL report, this could be done by tagging the fact and setting the *xsi:nil* attribute to true." Similar to our comments regarding the use of Boolean's, this will result in a difference between the human readable and machine-readable layer; an explicit statement that a datapoint is not material is different from an empty XBRL fact. This may also impact the auditability of the digital reporting.

Additional validation rules could be considered for a list of mandatory disclosures illustrated by the use of the word "shall" for a topic that is determined as being material or for some basic consistency checks (such as "positive value" tests to highlight negative value for some indicators such as energy consumption, water consumption, waste generated, percentage between 0 and 100 when appropriate, etc.).

Other comments (relevant to question 9)

Interoperability

Digital reporting has an important role to play in facilitating the adoption of Sustainability Disclosure Standards globally. Interoperability of taxonomy requirements is therefore an important goal.

We are aware that other sustainability disclosure taxonomies are currently under development in various jurisdictions. The IFRS Sustainability Disclosure Taxonomy may have different elements, not only because of the different disclosure requirements, but also because of the different architecture or tagging granularity.

We support EFRAG's engagement with other jurisdictions and sustainability standard setters to support interoperability, whilst recognising that a taxonomy mapping can only be developed once interoperability between the standards has been established.

Structure of Sustainability Disclosures

The ease of tagging of a high number of elements, as included within the Draft ESRS Taxonomy, depends on how the sustainability disclosures have been drafted. If drafted with the structure of the ESRS taxonomy in mind, the tagging becomes relatively easy. If not, then a preparer may find it difficult to identify the specific disclosure elements to tag and may end up with certain paragraphs in its sustainability report which have to be

tagged multiple times as they relate to a variety of elements. Using the structure, as defined in the taxonomy, should be emphasised.

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Communication

We realize that the draft taxonomy being drafted by EFRAG will be the basis for ESMA to develop draft Regulatory Technical Standards (RTS) for tagging the ESRS sustainability statement. The tagging rules will finally be adopted by the European Commission by way of a Delegated Act (DA) amending Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (hereafter 'ESEF Regulation'). Given the time needed to complete this extensive process it is more than likely that the taxonomy and tagging rules will not be in place when the first entities need to report on their sustainability disclosures. We assume that such report will be in XHTML format without any mandatory tagging. But it would be helpful if this approach is communicated clearly to avoid confusion or discussion in the market.

We recognize that first time adoption of digital reporting (including tagging) can be a difficult task. The implementation of the ESEF taxonomy for financial statements has been a challenge for many preparers across Europe and they are still in a learning curve. A phased-in approach was taken to the implementation of ESEF for the financial statements. It may be relevant to consider a similar phased-in approach (e.g. at the first year only Level 1 items) to give preparers time to build up experience with the tagging of their sustainability disclosures. The timely availability of sufficient guidance for preparers to assist them in implementing this taxonomy successfully will also be a key success factor.

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Please do not hesitate to contact Ronald van Langen (vanLangen.Ronald@kpmg.nl) or Christian Zeitler (czeitler@kpmg.com) if you wish to discuss any of the issues raised in this letter.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Z.' with a stylized flourish.

Christian Zeitler
KPMG EMA DPP Limited

Appendix – Detailed comments on EFRAG’s draft ESRS XBRL taxonomy

Document	Reference (or filter)	Comment
Annex 1 – excel file Presentation Linkbase	Cell C345	Potential spelling error. At the end of the word Targets is an additional letter 'l'. 'Minimum Disclosure Requirement - Targets ^l [abstract]'
Annex 1 – excel file Presentation Linkbase	Cell C4122	Potential spelling error. Disclosure is missing an s; 'Diclosure of functions' should be spelt 'Disclosure of functions'.
Annex 1 – excel file Presentation Linkbase	Cell C421	Label does not contain '[textBlock]' but we would expect it to.
Annex 1 – excel file Presentation Linkbase	Cells C1921 and C3002	Potential formatting error. Both labels appear to miss the opening bracket '[' before 'general abstract']
Annex 1 – excel file Presentation Linkbase	<u>Filters:</u> Period: duration; Type name short: exclude date, domain, string & textBlock; Label en: does not contain text 'during period' <u>Specific example:</u> Rows 72 and 73	It is unclear whether these items are supposed to be duration rather than at a point in time if they do not contain the text 'during period'? For example, ESRS 2, GOV-1, cells C72 and C73 the “number of executive members” and “number of non-executive members” is listed as a period type ‘duration’. The taxonomy therefore appears to make the interpretation that these amounts are for the whole period. The disclosure requirement however is silent as to whether such disclosures reflect an average during the year or the number at year end.

Document	Reference (or filter)	Comment
Annex 1 – excel file Presentation Linkbase	<u>Filters:</u> Period: duration; Type name short: exclude date, domain, string & textBlock; Label en: does not contain text 'at end of period' <u>Specific example:</u> Rows 1934 and 1961 Rows 3212 and 3214	It is unclear whether these items are supposed to be instant rather than duration if they do not contain the text 'at end of period'? For example: - topical standard E3, cells C1934 and C1961 the “total water stored” is listed as period type ‘instant’. The taxonomy therefore appears to make the interpretation that these amounts are for a point in time. The disclosure requirement appears to reflect the overall total for the year (duration). - topical standard S1, cells C3212 and C3214 the “Number of recordable work-related accidents” and “Number of cases of recordable work-related ill health” is listed as period type ‘instant’. The taxonomy therefore appears to make the interpretation that these amounts are for a point in time. The disclosure requirement appears to reflect the overall total for the year (duration).

Document	Reference (or filter)	Comment
Annex 1 – excel file Presentation Linkbase	Rows 365 and 366 (column: Label en)	Label name for ESRS 2 MDR-T para, 80(h) appears to have been shortened and does not include the underlined part of the disclosure requirement: “whether and how stakeholders have been involved in target setting <u>for each material sustainability matter</u> ”. Consider using the full description in the standard label and perhaps a terse label or a documentation label.
Annex 1 – excel file Presentation Linkbase	Rows 342 and 343 (column: References)	For ESRS 2, MDR-A.2 para. 69(b) these taxonomy elements could also reference AR 23 which states that “resource allocation may be presented in form of a table or broken down between capital expenditure or operating expenditure [...]”.
Annex 1 – excel file Presentation Linkbase	Rows 3341 and 3342 (column: References)	For ESRS S2-1 para. 19 these taxonomy elements could also reference AR 14 which elaborates on the disclosure requirement.
Annex 1 – excel file Presentation Linkbase	Row 3364 (column: Label en)	Label name for ESRS S2-1 AR 16 appears to have been shortened and does not include the underlined part of the voluntary disclosure requirement: “The undertaking may also explain <u>how it identifies and removes potential barriers for dissemination</u> , [...]”

Document	Reference (or filter)	Comment
		Consider using the full description in the standard label and perhaps a terse label or a documentation label.
Annex 1 – excel file Presentation Linkbase	Rows 3401, 3402 and 3403 (column: References)	Unclear whether the voluntary requirements for ESRS S2-3 AR 26 have been included in the taxonomy. A reference is not made to AR 26. This doesn't appear to be addressed in the affiliated ESRS S2-3 para. 28 taxonomy elements (rows 3402 and 3403). The Label in Row 3401 includes "how <u>effectiveness of channels</u> is ensured [...]" but not "data about effectiveness of these channels from the perspective of value chain workers themselves" as stated in AR 26.
Annex 1 – excel file Presentation Linkbase	Rows 331 to 343 (column: Label en)	Unclear whether the distinction between "current" and "future" financial resources is clearly translated in the taxonomy labels for the disclosure requirements ESRS S2 MDR-A para. 69(b) and (c).

Document	Reference (or filter)	Comment
Annex 1 – excel file Presentation Linkbase	Row 3311 (columns: 'Label en' and 'Reference')	Unclear whether the label name and enumeration element for ESRS 2 SBM-3, ESRS S2 para. 11(c) regarding 'material negative impacts' adequately covers the disclosure requirement. It does not include mention of whether the negative impacts are "(i) widespread or systemic" or "(ii) related to individual incidents [...] or to specific business relationships". ESRS 2 SBM-3 para. 11 also refers to ESRS 2 SBM-3 para. 48. When looking at the taxonomy elements associated with para. 48 the requirements as included in para. 11 as stated above, are also not explicitly mentioned in the standard label. It may be relevant to include such in a documentation label. For those elements linked to article 48, consider including an additional reference to article 11 as well.

Document	Reference (or filter)	Comment
Annex 2 – XBRL Reports Example - ESRS 2 GOV-1	Annex 1 – excel file Tab: PresentationLinkbase Cell C91	The ESRS 2, GOV-1 example provided for “Board's gender diversity ratio is 1:1”. The disclosure requirement asks for a percentage. While this is appropriately reflected in the draft taxonomy, the example text does not. Furthermore the example 1:1 ratio has been tagged as 1%, which in our view should be 100%. For these type of elements, additional guidance may be required to properly convert the disclosure being made into an XBRL fact.

Some additional considerations for Booleans:

- Could be more clearly defined what "true" means for a Boolean element (e.g. "true" is only used when the answer is yes for 100% of the cases). This could be helpful for the following examples: E4 ESRS E2 80g / E4 18c / E4 19a / E4 32b / E4 17ei;
- Within ESRS E4 taxonomy, more Boolean elements would be expected. For example E4 17eii / E4 23a / E4 36 / E4 38 / E4 AR19 / E4 AR20b / E4 AR20c);