

Name of the organization: Workiva Inc.

Type of stakeholder: Software vendors

Country: America

Q3:

We believe Level 1 text blocks are useful and provide many benefits such as ease of document navigation to the relevant content and completeness of information for users. In the draft ESRS taxonomy explanatory notes (6.5.99), it was discussed that omitting Level 1 tags should be carefully considered, as if the Level 1 tags are not used, other ways for users to clearly and simply identify the list of Disclosure Requirements complied with should be provided. We believe that the incremental efforts in including level 1 text blocks is relatively low. The potential complicating factor may come in on the rendering side. Sustainability reports have even higher use of design components and therefore lowering the text block rendering fidelity requirements could reduce preparer review burden.

Q4:

With regard to the draft ESRS taxonomy explanatory notes on "ESRS 2 MDR – the technical relationship between material IROs (SBM-3), Policies, Actions (including Resources) and Targets (including Metrics)" (6.6.102), we applaud the aim to ensure that appropriate identifiers for rows of information can be provided by preparers with the use of typed dimensions. However if the nil attribute is to be allowed as a value for these dimensions then we would also recommend that all table 'rows' still contain at least one unique identifying value to enable the reconstruction of the tables from data alone.

Q6b:

As discussed in the draft ESRS taxonomy explanatory notes Appendix 1 "Technical implementation of optional disaggregation (typed dimensions in open and closed hypercubes)" (A1.6.164), closed hypercube could lead to massive tagging effort of "Nils". We agree that option b (open hypercube) seems reasonable compared to large amounts of Nil tagging. In addition, we believe the tagging of Nil for technical reasons should be kept to the minimum as much as possible.

Q7:

It was discussed in the draft ESRS taxonomy explanatory notes "Entity-specific and additional digital disclosures ('Other', MDR-M and additions)" (6.9.117) that if XBRL extensions are created, the re-creation of the presentation linkbase should be avoided, and XBRL elements should be introduced as part-child elements below existing elements in the presentation hierarchy in the esrs\_all entry point. While we agree some companies may like the simplicity of not re-creating the presentation, however, many companies may still prefer the control in creating their presentation, especially for those who have to comply with ESEF having consistency may be attractive. Allowing the option of providing the presentation may help support all preparer types.

Q8:

With regard to "Validation Rules Implemented" in the draft ESRS taxonomy explanatory notes (6.8.110), while we appreciate the potential noise level in validation, tagging Nils does increase tagging efforts significantly with little value in the additional data produced. On the other hand, we see management of validation messages as an area where software can provide significant simplification.

Q9:

1. With regard to the assumption of a "hypothetical" sustainability statement design that is consistent with the structure of the ESRS (explanatory notes 6.1.46), we understand this assumption may hold true for some portion of the market. However, we would encourage the EFRAG to keep in mind the variability of reporting practices. Most existing sustainability reporting follows a design reporting approach and templated production seems relatively rare. This may make it harder for preparers to follow a straightforward tagging process of capturing text block information in the structure of the taxonomy. Use of continuation, for example, may be more inevitable than we'd like.

2. With regard to the draft ESRS taxonomy explanatory notes "Incorporation by reference" (6.10.119), when it comes to multiple tagged XHTML documents in one Inline XBRL document set, consistency in reporting packages across Europe would significantly reduce the burden on software to support the mandate.

3. With regard to the draft ESRS taxonomy explanatory notes "Connectivity with financial reporting" (6.11.121), when elements cannot be re-used across taxonomies and specific elements have to be created under the ESRS taxonomy (such as Revenue and Assets), a clear definition in the element documentation could help avoid confusion.

4. With regard to the draft ESRS taxonomy explanatory notes on "Using fact-to-fact relationships for ESRS 2 GOV-4 and BP-2 as well as ESRS 1" (A1.7.170), while we fully appreciate the importance of providing transparency in the connectivity between the sustainability statements and other areas of reporting, however, this could introduce a higher burden on the preparer as well as inconsistency in XBRL handling in different areas of the integrated report. Simplifying the relationship arcroles to start with to allow the market more transition time on this new feature may be beneficial.

5. It was discussed in the draft ESRS taxonomy explanatory notes "Implementation of the disaggregation by ESRS Sectors and economic activities" (A1.11.188) that the full list of dimension members for countries, NACE-code based economic activities and sectors can be found in the definition linkbase. We believe that putting the dimensions in a separate ELR so users can see and navigate to them may increase usability of the taxonomy without overwhelming the presentation.