

Name of the organization: IRIS Business Services Limited

Type of stakeholder: Consultants

Country: Asia

Q1:

Broadly agree

Q2:

Yes. The current design of ESRS Taxonomy is taxonomy centric which means organizing information based on hierarchy or classifications relationship rather than concept centric. The taxonomy centric approach may not be efficient for complex and diverse relationships. It may lack the flexibility to adapt to changes or accommodate new concepts that fall outside predefined categories. Taxonomy-centric approaches may face challenges in achieving interoperability, especially when dealing with disparate classification systems or evolving standards.

Q3:

Yes. Currently, financial reporting data collection in the European region (ESEF reporting) has been improved through the implementation of text-block tagging, which allows for a granular level of reporting up to three levels (Level 1, 2, and 3). This enhancement has facilitated companies in tagging their financial information in a more structured manner. Recognizing this as a success factor, ESRS has introduced a similar granular level of tagging, also up to three levels, aimed at reducing the burden on companies when tagging sustainability information in a structured manner. We support the organization of the ESRS taxonomy in a hierarchical and directly aligned manner with ESRS standards.

Q4:

Yes We support the practice of reusing elements in the draft ESRS Taxonomy to prevent double tagging, as exemplified in the implementation of ESRS MDR elements. As outlined in section 6.6 of the Explanatory Note and Basis for Conclusions for ESRS MDR disclosures, each typed dimension for IROs, policies, targets, and actions defined in the instances should ideally be tagged with a string element representing the name for each IRO, policy, target, and action. This string element should be tagged in the human readable Inline XBRL document. We have noticed that in ESRS disclosures other than ESRS MDR (E1.SBM-3, E4.SBM-3, S1.SBM-3, S3.SBM-3), the typed dimension "Identifier of impact, risk, and opportunity [typed axis]" does not have a defined string element in the hierarchy structure of these disclosures. We recommend maintaining consistency in defining the structure within the taxonomy.

Q5a:

We support the incorporation of semi-narrative elements (Booleans and extensible enumerations), as thoroughly explained in Appendix 1 of the Explanatory Note and Basis for Conclusions. 1. While Boolean data alone may not suffice for capturing details, the inclusion of additional semi-narrative tags, preferably in text block format, can enhance data accuracy and facilitate filtering. These tags should provide explanations for what "Yes" and "No" represent. However, considering that the

current ESRS Taxonomy is available only in English, we raise the question of how this will be managed if the reporting language differs. If labels are changed to match the reporting language, will the dropdown options remain in English? 2. Extensible enumeration, as defined in the Extensible Enumeration 2.0 Specification, enables the selection of both single and multiple facts from dropdown lists. These dropdowns are presented as explicit dimension members in the Definition linkbase of the ESRS Taxonomy. According to ESRS standards, certain classifications are explicitly defined without any mention of residual items (such as "Others"). Therefore, we advocate for restricting the addition of "Others" categories in the ESRS Taxonomy unless explicitly stated in the ESRS standards. Including an "Other" category in dropdowns may obscure data precision and hinder comparability. We recommend removing "Other" categories wherever necessary. Below are a few examples where dropdowns represent an "Other" category, which could be avoided during the taxonomy design process. 1. [999135] Enumeration: Topics covered by anti-corruption and bribery training which has Other topics covered [member] 2. [999162] Enumeration: GHG Category which has Other GHG Category [member] 3. [999115] Enumeration: Policy areas for climate change which has Other climate change subtopic [member]

Q5b:

We do agree with the technical and conditional Booleans as described in section A1.6 of Explanatory Note and Basis for Conclusions provides clear benefit for users. From user perspective the Boolean tags need to be reassessed and see how the information will be reported in practical situations.

Q6a:

We do agree with the dimensional modelling of the ESRS XBRL taxonomy and with the implementation of typed dimensions for IROs, policies, actions, targets and metrics as described in section A1.6. of the Explanatory Note and Basis for Conclusions The ESRS taxonomy uses typed dimensions to link facts related to IRO, policies, actions, targets and metrics, example; Identifier of impact, risk and opportunity [typed axis] linked to string concept Name or identifier of impact, risk and opportunity. This will facilitate a correct relationship of fact values and data can be compared across peer groups. With the introduction of "xsi:nil" attribute, every software vendors need to fully support and handle this correctly. It is important to ensure that the usage of xsi:nil attribute aligns with XBRL specifications else it could lead to misinterpretation of data.

Q6b:

Broadly agree However, open hypercubes in XBRL allows adding more details to represent complicated data easily. But using them can make things more complicated and cause problems with data quality, sharing data between different systems, and checking if the data is accurate. It might also slow down processing and make it harder to understand what the data means. We need to be careful and think about how to deal with the challenges they bring. Therefore, we recommend having closed hypercubes present in ESRS Taxonomy instead of introducing open hypercubes.

Q7:

1. IROs, Policies, Actions and Resources, Targets and Metrics; As mentioned in our response 6(a) the use of typed dimensions to link facts related to IRO, policies, actions, targets and metrics and defining string concept for their names will improve efficiency while reporting and data can be compared easily. 2. additional requirement to ESRS data points; Instead of creating extension for any additional requirements, we recommend introducing text-block concept at each disclosure level

to capture entire disclosure. The users will report all the information in one single text-block concept. As the Sustainability Standards will be evolving over the period, companies will start digital reporting based on ESRS Taxonomy and may introduce more mechanism to capture granular level of data. 3. disclosures stemming from other legalisations or generally accepted sustainability standards and frameworks Agree 4. "Other" entity specific disclosures, including metrics Right now, sector specific data points are not included in ESRS Taxonomy as Sector Standards are under development. Till the time these are introduced sector specific information can be captured using "Other" categories defined within the taxonomy. This will not allow sector wise comparison but at least companies can start using ESRS Taxonomy to report sustainability information.

Q8:

The validation rules in the ESRS Taxonomy, based on the Formula Linkbase 1.0 Specification, are deemed appropriate. They assign severity levels (Error, Warning, OK) to each rule, aiding users in understanding and interpreting the results effectively. However, we suggest removing the severity level "OK" from formula files to avoid confusion for users. Keeping it may trigger notifications for all rules, necessitating software tools to filter them out by severity, which adds unnecessary complexity.

Q9:

No