

Name of the organization: ACTEO - AFEP - MEDEF

Type of stakeholder: Other (please specify)

Please specify: Business association

Country: France

Q1:

ACTEO, AFEP and MEDEF, the 3 main business associations representing French preparers, would like to thank EFRAG for the work accomplished in such a short time and for the opportunity to comment on the draft ESRS Set 1 XBRL Taxonomy (the Draft Taxonomy). Generally speaking, we consider that the Draft Taxonomy is too complex and detailed. We understand that the mandate given to EFRAG requires that all ESRS disclosure requirements be addressed but the granularity and the complexity of the Draft Taxonomy impose a disproportionate burden on preparers and raise significant implementation risks. In this regard, we regret that no cost-benefit analysis was carried out and that the problems preparers have faced in the implementation of the ESEF have not been more factored into the process. We consider therefore that the Draft Taxonomy should be simplified and the number of tags reduced. In any case, the number of tags shouldn't go beyond the users' needs, EFRAG should therefore eliminate granularity when it is not required by users. EFRAG could also advise ESMA to adopt a step-by-step approach starting with the tagging of KPIs and quantitative data before moving on to narrative information. We believe that this gradual approach complies with the provisions of the CRSD regarding digitisation : the directive requires management reports to be prepared in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815 which refers to an XHTML format. Furthermore we consider that it is of utmost importance that interoperability with the IFRS XBRL Taxonomy be ensured and that the conditions for incorporation by reference be clarified. In particular, EFRAG could clarify that information prepared in an XHTML format fulfills the condition laid down in sub-paragraph (e) of paragraph 120 of ESRS 1 requiring that information incorporated by reference shall "meet the same technical digitalisation requirements as the sustainability statement". A more stringent interpretation of this condition would eventually exclude many information from being incorporated by reference and increase the burden for preparers. Finally, we consider that the taxonomy-centric approach adopted by EFRAG could be detrimental to the comprehensibility of sustainability reports. In addition to these comments, we support the views of the ANC (Autorite des Normes Comptables), the French Accounting Standard-Setter, expressed in their answer to this consultation, regarding in particular the need to : – Reduce the number of tags by consolidating narrative and semi-narrative information at levels 2 and 3. – Develop implementation guidelines to help preparers in the application of the taxonomy and the tagging of their sustainability reports. – Conduct field tests. – Delete from the draft taxonomy Booleans that are not useful or necessary for users.

Q9:

MEDEF AFEP ACTEO would like to highlight the difficulty for non-listed large companies as there is currently no requirement for them to digitalise their financial statements. The digitalisation of their sustainability report raises specific questions (consequences for the financial statements given the cross-references...) and requires therefore a dedicated guidance.