

Name of the organization: Bloomberg L.P.

Type of stakeholder: Other (please specify)

Please specify: Financial technology

Country: America

Q1:

See attached document.

Q2:

N/A

Q3:

See attached document.

Q4:

See attached document.

Q5a:

See attached document.

Q5b:

N/A

Q6a:

See attached document.

Q6b:

N/A

Q7:

N/A

Q8:

N/A

Q9:

N/A

8 April 2024

Bloomberg response to EFRAG's draft ESRS Set 1 XBRL Taxonomy

Feedback questions

Q1: Do you agree that the digital Draft ESRS Set 1 XBRL Taxonomy adequately represents the ESRS disclosure requirements? Yes/No/Please explain your answer.

Bloomberg mostly agrees that the Draft ESRS Set 1 XBRL Taxonomy adequately represents the majority of the ESRS disclosure requirements.

Overall, Bloomberg believes that the crosscutting and topical standards have adequate coverage for their respective voluntary and mandatory disclosure requirements.

We believe that there are adequate typed axis elements to correspond with areas of ESRS that should have flexibility and extensibility. This enables capturing as much data as possible in order to have a robust data set for sustainability reporting.

However, as mentioned in our response to Question 7 below, we also agree with limiting typed axis responses as much as possible in order to promote standardized, comparable data. That being said, we believe that the typed axis responses included in the first draft XBRL Taxonomy are relevant and valuable where they are included based on the level of analysis we were able to conduct.

In addition, from our level of analysis, we believe that the metadata provided for each element is valuable and adequately covers the data to be collected within a CSRD report.

Finally, Bloomberg would benefit greatly from the use of the digital concordance coming later. This would allow for ease of use for undertakers that report to multiple regulatory frameworks, which would help decrease the amount of inconsistencies in the data ingested due to double reporting issues.

Q3: Do you agree with the hierarchy provided in the presentation linkbase of the Draft ESRS XBRL Taxonomy, including the Level 1, 2 and 3 of narrative textblock tags (as explained in section 6.5. of the Explanatory Note and Basis for Conclusions)? And if not, what could be improved? Yes/No/Please explain your answer.

Bloomberg mostly supports the hierarchy provided by the draft ESRS XBRL Taxonomy and the ordering of the levels.

Bloomberg agrees with the logic that the parent information can be omitted if the child information is filled out in detail.

According to our analysis, Bloomberg believes that the Level 1 hierarchy for text block tags is necessary as it is possible that a company can comply with the overall objective of the disclosure requirement without having total alignment with all of the child elements.

We also agree that Level 2 contains the most valuable information for our use cases and overlaps the most with Bloomberg's existing fields, thereby facilitating automated data collection once firms prepare CSRD XBRL reports. For example, some existing overlaps are 'Disclosure of climate-related targets', 'Disclosure of energy consumption and mix', 'Disclosure of GHG emissions', etc.

Finally, we agree that Level 3 can be valuable, but we would note some concerns around the reality of capturing data at this level of granularity (for instance as regards "Disclosure of reasons for not having adopted policy in areas of high-water stress [text block]"). The low probability of capturing data at this stage poses concerns, as it may lead to a larger dataset with empty values to manage. Given the goal of increasing the volume of reported data and standardizing sustainability reporting, we hope to see the justification for this level of granularity grow over time.

Q4: Do you agree with the way EFRAG has re-used XBRL elements in the Draft ESRS XBRL Taxonomy to avoid double-tagging, as described in section 6.6 of the Explanatory Note and Basis for Conclusions, and as implemented for ESRS MDR elements? Yes/No/Please explain your answer.

Bloomberg mostly agrees with the reuse of XBRL elements to avoid double-tagging and cumbersome Taxonomy requirements.

Q5a: Do you agree that the implementation of semi-narrative (yes/no Booleans, drop down enumerations) enriches the narrative disclosures and are therefore particularly relevant for users? Yes/No/Please explain your answer.

Bloomberg supports these data points. Boolean fields are especially useful for tagging narrative disclosures. We have also found that they allow us to capture unique reporting examples for sustainability reporting requirements.

Furthermore, Booleans can help scale analyses to only relevant cases and screen for compliance based on certain qualifying criteria. For example, Booleans help conduct categorical data analysis by being foundations for defining and creating the separate categories.

Bloomberg believes that dropdown enumerations would be very helpful in the case where a certain policy or narrative disclosure requires a specific set of criteria in order to be compliant, as this would help enhance the value and accuracy of tagging policy fields.

Q5b: Do you agree that the technical and conditional Booleans as described in section A1.1 of the Explanatory Note and Basis for Conclusions provide a clear benefit for users since they allow tagging of positive and negative confirmations? Yes/No/Please explain

your answer.

Bloomberg observes that the conditional Booleans determine that ‘if a statement is true, then these metrics must be...’. We are of the opinion that these are valuable statements to have if attempting to model compliance for sustainable economic activities. Conditional Booleans also allow more specific analysis on reporting patterns for specific activities. For these reasons, we recommend keeping them in the XBRL Taxonomy.

The technical Booleans link Boolean elements that are related to one another. Bloomberg believes that this Boolean type is useful for tagging and data ingestion purposes. The enhancement to a search filter that reveals all relevant information would be very valuable for analytical tools and for increasing usability of a large dataset. We recommend that EFRAG consider keeping these in the XBRL Taxonomy.

Q7: Do you agree with the approach that minimizes the need for XBRL Taxonomy extensions therefore supporting comparability across preparers and relevance, by providing mechanisms for tagging of the following disclosures, as described in section 6.9 of the Explanatory Note and Basis for Conclusions:

- 1. IROs, Policies, Actions and Resources, Targets and Metrics;**
- 2. additions to ESRS data points;**
- 3. disclosures stemming from other legislations or generally accepted sustainability standards and frameworks; and**
- 4. other entity specific disclosures, including metrics?**
- 5. If not, how should it be improved?**

Yes/No/Please explain your answer

According to our review, Bloomberg agrees with the approach to minimize extensions to the Taxonomy. We agree that this supports the movement towards more standardized sustainability reporting, which in turn minimizes the risk of greenwashing.

We still find value in preserving the extensible nature of XBRL, as we believe this can help capture a larger population of reporting examples, and therefore data points to increase the volume of our dataset. It is also valuable to us to have as much context for a data point as possible in cases where we are unclear about company reporting.

As discussed in our responses to Questions 1 and 3 above, we note that each standard has the relevant spot for extensions if necessary. We also support EFRAG’s attempt at limiting the opportunities for relying on this type of disclosure.