ESRS-40a, Public consultation questionnaire

2. (untitled)

Do you provide your consent to publish your responses? Please select 'No' below if you do not want your responses to be made public; in this case, your feedback will be treated anonymously.

Yes

3.

1. **First Name:**

Maryia

2. **Last Name:**

Sulik

3. **Name of the organisation:**

European Association of Co-operative Banks (EACB)

4. **Country of headquarters:**

Belgium

5. **Sector: [more detailed information about sector classification] - *It is possible to select multiple sectors.***

Financial and insurance activities

6. **Please enter your email.**

Maryia.sulik@eacb.coop

7. **Which of the following stakeholder types do you represent?**

Business association (financial or non-financial institution)

For preparers, are you:

If none of the above, please specify.

Please specify the country of headquarters of the ultimate parent company.

i. Please specify the country of headquarters.

ii. If you have selected point (iii) to the question for preparers above,please provide your feedback, if possible, on (these questions apply only to undertakings in scope of Article 40a of the Accounting Directive):

How many subsidiaries in your group are in scope of Articles 19a or 29a of the Accounting Directive?

iii. Please provide the location of your subsidiaries

iv. Please list the subsidiaries that are already reporting under Articles 19a or 29a of the Accounting Directive.

v. If you have selected point (iii) to the question for preparers above,do you plan to report according to ESRS (as enated by the EC in July 2026) for the whole group (double materiality)?

vi. Please select one or more of the reasons listed below for planning to report according to ESRS (as enated by the EC in July 2026) for the whole group (double materiality).

8. **Do you/does your (or will by FY2028) ultimate parent group report in accordance with jurisdictional standards based on ISSB standards on a group level?**

No.

Because you answered "Yes" to the previous question, please indicate if you report on:

9. **Do you/does your (or will by FY2028) ultimate parent group report voluntarily on a group level?**

No.

Because you answered "Yes" to the previous question, please indicate if you report on:

4.

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10. **Do you agree with the way EFRAG has implemented the provisions of the Accounting Directive (Articles 40a–40d), particularly in deleting RORD-related disclosures and financial effects, as well as maintaining financial information that provides useful contextual information to understand the impacts and how they are managed?**

No.

i. Please specify why

5.

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11. **Questions**

Do you support the inclusion of a 'mixed approach' option in the ESRS-40a ED, which allows limiting disclosures to EU-related impacts only for some topics?

No.

i. Please select from this list of reasons (choose one or more):

12. **i. Please select from this list of reasons (choose one or more):**

It fails to secure level-playing field for EU companies.

Please explain your reasoning behind selecting 'It captures impacts that have a link with EU' and, if applicable, provide suggested improvements

Please explain your reasoning behind selecting 'It provides a proportionate approach to third-country groups without imposing excessive costs connected to global reporting for all topics.' and, if applicable, provide suggested improvements.

Please explain your reasoning behind selecting 'It provides relevant information thanks to the condition in AR 6 for paragraph 29 (ESRS-40a 1 ED).' and, if applicable, provide suggested improvements.

Please explain your reasoning behind selecting 'It does not impair comparability and auditability of sustainability reporting' and, if applicable, provide suggested improvements.

13. **Please explain your reasoning behind selecting 'It fails to secure level-playing field for EU companies' and, if applicable, provide suggested improvements.**

We do not support the mixed approach option. Allowing non-EU undertakings to limit disclosures on topics other than climate to EU-related impacts (paragraphs 28–30) would create an uneven playing field between EU and non-EU undertakings. Material impacts on water resources, biodiversity, workers, human rights and affected communities should be reported consistently by all undertakings, regardless of their jurisdiction.
The rationale for requiring global climate reporting applies equally to other sustainability matters. Human rights abuses, biodiversity loss, water stress or labour-related impacts occurring outside the EU can be just as material as climate impacts occurring outside the EU. Treating climate differently from other sustainability topics lacks conceptual consistency and risks creating significant information gaps for investors and other stakeholders. What justifies a global scope for climate also justifies a global scope for other material impacts.

We therefore recommend deleting paragraphs 28, 29 and 30, together with the related AR 6 and AR 7 and the mixed-approach transparency requirements in ESRS-40a 2 (paragraph 4(a) and AR 1), so that all material topics are reported on a global scope, as is already the case for climate.

Please explain your reasoning behind selecting 'Despite the condition in AR 6 for paragraph 29 (ESRS-40a 1 ED), it does not result in relevant and complete information, or it conflicts with faithful representation of impacts.' and, if applicable, provide suggested improvements.

Please explain your reasoning behind selecting 'It results in mixed scopes in the same report (global for climate, EU-related for one or more groups of impacts/sub-topics/topics), making it difficult for users to understand and use the information;' and, if applicable, provide suggested improvements.

Please explain your reasoning behind selecting 'The condition in AR 6 for paragraph 29 (ESRS-40a 1 ED) is too narrow and will have narrow application.' and, if applicable, provide suggested improvements.

Please explain your reasoning behind selecting 'The flexibility in paragraph 30 (ESRS-40a 1 ED) is too broad, as impacts are managed consistently at topical level.' and, if applicable, provide suggested improvements.

Please explain your reasoning behind selecting 'The flexibility in paragraph 30 (ESRS-40a 1 ED) is too broad, and it will result in lack of comparability across companies.' and, if applicable, provide suggested improvements.

Please explain your reasoning behind selecting 'Reporting on EU-related impacts raises significant practical challenges' and specify which challenges you anticipate.

14.

Definition of EU-related impacts. Paragraph 28(a) of the ESRS-40a 1 ED refers to EU-related impacts (customer component) as: *'impacts that arise from products and services that were or can be reasonably assumed to be sold or provided in the EU market, including by third parties (downstream value chain actors such as distributors and traders)'.*

Do you agree with this formulation, which remains at the principles-based level?

Yes.

Please recommend alternative factors to be considered by the undertaking that could be included in the Standard.

15. **For preparers, Do you intend to apply the mixed approach?**

No.

i. To which topic/sub-topic or group of impacts do you intend to apply the mixed approach?

ii. How would you apply it?

16. **For users, Considering the transparency requirements for applying the mixed approach in paragraph 4(a) and AR 1 of the ESRS-40a 2 ED, and the specific provisions added in paragraphs 28–30, AR 6 and AR 7 of the ESRS-40a 1 ED, do you expect to be able to understand and compare a sustainability report that applies different reporting boundaries (e.g. global vs EU-related scope) across topics or sub-topics?**

Please find the paragraphs mentioned above here.

Yes.

Please explain why.

Please suggest possible amendments.

6.

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17. **Despite the focus on impacts and the deletion of RORD, do you agree with the reference to fair presentation in the reporting objective of the ESRS-40a ED in paragraph 5 of the ESRS-40a 1 ED: 'the objective of the ESRS-40a ED sustainability report, taken as a whole, is to present fairly (see Chapter 2) all the undertaking's material sustainability-related impacts and how the undertaking manages them'? For further considerations, please refer to the Basis for Conclusions (BC87–BC90).**

Please explain.

7.

18. Under the ED, companies can also apply the mixed approach option when reporting about human rights impacts. This means that they can restrict reporting to EU-related human rights impacts. Do you think human rights impacts should be excluded from the mixed approach and reported globally, regardless of where they occur or whether they are connected to products and services sold to the EU? (see the Basis for Conclusions, sub-chapter detailed discussions of key topics, BC46–BC61)

Yes, human rights impacts should be reported on a global scope.

19. Please explain, also with reference to the specific circumstances you have in mind.

Material impacts on human rights should be reported consistently by all undertakings, regardless of their jurisdiction.

20. Under the ED, companies can limit the disclosure to EU-related impacts without considering whether the impacts can be geographically contained (both in terms of where the impacts occur and where their effects are experienced). Do you agree with this approach? (see the Basis for Conclusions, sub-chapter detailed discussions of key topics, BC46–BC61)

Please explain, also with reference to the specific circumstances you have in mind.

21. Do you think that fair presentation can be achieved under the mixed approach? (see Basis for Conclusions, sub-chapter detailed discussions of key topics, BC46–BC61)

No.

22. Please explain.

Fair presentation cannot be achieved under the mixed approach because reporting only part of the material impacts is not a fair presentation of all of them.

23. Do you agree with the flexible formulation of the option, which allows companies to choose the scope of reporting (global or EU-related impacts) at topic, sub-topic or group-of-impacts level, irrespective of how other topics, sub-topics or groups of impacts within the same topic are treated?

No.

24. i. Please explain

The option should be deleted altogether.

ii. SUB-QUESTION FOR PREPARERS: If you replied 'Yes.' to the above question, are you considering, within the same topic, reporting at EU-related level for some groups of impacts or sub-topics, and reporting at global level for some other groups of impacts or sub-topics?

iii. Please explain for which topic this would happen and the rationale behind this choice.

25. For preparers and assurance providers, do you anticipate implementation challenges when applying the mixed approach?

i. If "Yes.", please select one or more of the following.

Because you identified as a challenge 'How to identify the most appropriate allocation key and report on metrics', please specify which metrics you are referring to. Please specify why.

Because you identified as a challenge 'How to demonstrate the condition in AR 6 for paragraph 29 of ESRS-40a 1 ED', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to identify the products and services that were or can be reasonably assumed to be sold or provided in the EU market, including by third parties', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to perform a materiality assessment focused on EU-related only impacts (chapter 3 of ESRS-40a 1 ED)', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to report on policies, actions and targets for EU-related impacts', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to report in accordance with ESRS-40a 2 ED', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to report in accordance with ESRS-40a E2 ED', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to report in accordance with ESRS-40a E3 ED', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to report in accordance with ESRS-40a E4 ED', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to report in accordance with ESRS-40a E5 ED', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to report in accordance with ESRS-40a S1 ED', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to report in accordance with ESRS-40a S2 ED', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to report in accordance with ESRS-40a S3 ED', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to report in accordance with ESRS-40a S4 ED', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'How to report in accordance with ESRS-40a G1 ED', please explain why and, if applicable, suggest improvements.

Because you identified as a challenge 'Providing transparency on the use, assumptions and results of the mixed approach (paragraph 4(a), AR 1 for paragraph 4(a) of ESRS-40a 2 ED)', please explain why and, if applicable, suggest improvements.

26. **ESRS-40a 2 ED BP-1, paragraph 4(a), requires the undertaking to disclose whether the sustainability report has been prepared using the mixed approach and, if so, to explain – per topic, sub-topic, or group of impacts – how EU-related impacts were determined and how the conditions set out in the ESRS-40a 1 ED, paragraphs 29 and 30, and AR 6 have been met. Do you consider these requirements to be clear, feasible and sufficient to ensure proper understanding of when and how the mixed approach is applied?**

Please include your suggestions, if any, on how these requirements can be improved.

27. **Do you agree with the specifications in the ESRS-40a 2 ED that provide guidance on how to apply this Standard when reporting on EU-related impacts?**

i. If 'No.' to the previous question, please select one or more of the specifications below with which you disagree:

Please explain why you selected GDR-T (AR 52) and, if applicable, provide suggestions for improvement.

Please explain why you selected GDR-M (AR 44 to AR 47) and, if applicable, provide suggestions for improvement.

Please explain why you selected GDR-A (AR 36) and, if applicable, provide suggestions for improvement.

Please explain why you selected GDR-P (AR 34) and, if applicable, provide suggestions for improvement.

Please explain why you selected I-2 (AR 27) and, if applicable, provide suggestions for improvement.

Please explain why you selected I-1 (AR 23) and, if applicable, provide suggestions for improvement.

Please explain why you selected SBM 3 (AR 21) and, if applicable, provide suggestions for improvement.

Please explain why you selected SBM 2 (AR 19) and, if applicable, provide suggestions for improvement.

Please explain why you selected SBM 1 and, if applicable, provide suggestions for improvement.

Please explain why you selected GOV 4 and, if applicable, provide suggestions for improvement.

Please explain why you selected GOV 3 and, if applicable, provide suggestions for improvement.

Please explain why you selected GOV 2 (AR 12) and, if applicable, provide suggestions for improvement.

Please explain why you selected GOV 1 (AR 11) and, if applicable, provide suggestions for improvement.

28. **Do you agree with the specifications in the ESRS-40a ED topical standards that provide guidance on how to apply this Standard when reporting on EU-related impacts?**

i. If 'No.' to the previous question, please select the specifications below with which you disagree.

Please explain why you selected ESRS-40a E2 ED AR 4 (primary microplastics) and, if applicable, provide suggestions for improvement.

Please explain why you selected ESRS-40a E2 ED AR 9 and 10 (SoC and SVHC) and, if applicable, provide suggestions for improvement.

Please explain why you selected 'No specifications in ESRS-40a E3 ED (specification in GDR-M applies)' and, if applicable, provide suggestions for improvement.

Please explain why you selected 'No specifications in ESRS-40a E4 ED (specification in GDR-M applies)' and, if applicable, provide suggestions for improvement.

Please explain why you selected "No specifications in ESRS-40a E5 ED (specification in GDR-M applies)' and, if applicable, provide suggestions for improvement.

Please explain why you selected ESRS-40a S1 ED (paragraph 8, AR 1, AR 2, AR 20, AR 39) and, if applicable, provide suggestions for improvement.

Please explain why you selected ESRS-40a S2 ED (paragraph 8) and, if applicable, provide suggestions for improvement.

Please explain why you selected ESRS-40a S3 ED (paragraph 7) and, if applicable, provide suggestions for improvement.

Please explain why you selected ESRS-40a S4 ED (paragraph 7) and, if applicable, provide suggestions for improvement.

Please explain why you selected ESRS-40a G1 ED (paragraph AR 7 metric for corruption and bribery) and, if applicable, provide suggestions for improvement.

Please explain why you selected ESRS-40a G1 ED (paragraph AR 7 11 metric for political influence) and, if applicable, provide suggestions for improvement.

Please explain why you selected ESRS-40a G1 ED (paragraph AR 7 13 metric for payment practices) and, if applicable, provide suggestions for improvement.

29. **Breakdown for own workforce. Do you think it would be useful for users of sustainability reports if companies that opt for the mixed approach were required to disaggregate the quantitative metrics in Disclosure Requirements S1-6 to S1-16 – e.g. health and safety metrics such as number and rate of work accidents – by workforce inside and outside the EU? (A company's workforce includes employees and non-employees.)**

i. If 'Yes.', should all quantitative metrics in S1-6 to S1-16 have to be disaggregated in that way or only some?

ii. If for 'Only some.', please specify which ones.

8.

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30. **Questions**

Do you agree with the presentation requirements in ESRS-40a ED?

i. If "No.", please explain why.

ii. If 'No.', please provide suggested amendments.

31. **Do you agree with the provisions in Chapter 9.3 on incorporation by reference, including as a possible way to achieve efficient reporting and to deal with double reporting when the group prepares a sustainability report in accordance with jurisdictional requirements based on IFRS S1 and IFRS S2, or in accordance with IFRS S1 and IFRS S2?**

i. If 'No.', please specify if you disagree with.

ii. If "No", please explain and, if applicable, provide suggested improvements.

32. **For preparers, If you are in scope of the ESRS-40a ED and, at the same time, (will) prepare (from YE2028) a sustainability report in accordance with jurisdictional standards based on IFRS S1 and IFRS S2, do you anticipate:**

In this case, please specify how you plan to support understandability and identification of disclosures that meet the disclosure requirements in the respective frameworks.

Please explain why and illustrate the challenges you anticipate.

Please provide suggestions for amendments.

33. Do you find the requirements for incorporation by reference sufficient to lead to an understandable and auditable report?

If applicable, please provide suggested improvements.

9.

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34. For preparers, Do you think that referring to terms and concepts from EU legislation as the default framework is feasible?

If not, please specify which disclosure requirements you are referring to.

Please find attached an Excel file containing a list of disclosure requirements where you can provide your comments. Please note that comments are also allowed on disclosure requirements not mentioned in this file - there is a specific tab for it in the Excel file.

Please download the file here.

A practical note: to correctly use the Excel file, please download it, complete the fields, and then upload the document.

Please upload the populated Excel File in this box.

35. ESRS-40a 2 ED BP-1, paragraph 7, requires undertakings to disclose, where EU-derived concepts are applied to third-country operations using approximations or estimations, which disclosures are affected, how the information was prepared, what limitations arise, and which parts of the reporting boundary are concerned. Do you consider these requirements to be clear, feasible and sufficient to ensure proper understanding of how the undertaking treats differences between EU-derived concepts and other third-country concepts?

36. If no, please explain your reasoning.

10.

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37. Please provide any other comments or suggested improvements on ESRS-40a ED not covered in the questions above.

Do you agree with the way EFRAG has implemented the provisions of the Accounting Directive (Articles 40a–40d), particularly in deleting RORD-related disclosures and financial effects, as well as maintaining financial information that provides useful contextual information to understand the impacts and how they are managed? - No. The proposed approach risks creating an asymmetry between EU and non-EU undertakings operating in the same market. At a time when European companies continue to bear extensive sustainability reporting obligations, significantly reducing disclosure requirements for third-country groups may weaken the level playing field and lead to competitive distortions. Stakeholders should have access to comparable sustainability information irrespective of the domicile of the parent undertaking when companies generate significant economic activity in the European Union.

11.

Answer in Excels for Part 2 - Topic 1 - Question 1.

1. Would you retain any deleted datapoints?
2. Do you have comments on deleted, amended or new paragraphs?

Please note that comments are not allowed on paragraphs that remained unchanged.

A practical note, to correctly use the Excel file, please download it, complete the fields, and then upload the document.

Please download the file Excel here

NOTE: The Excel File contains several validations. Please make sure to not break those validations. Only files with intact validations and not corrupted will be considered as valid by EFRAG Secretariat.

Please upload the populated Excel File in this box.

Detailedfeedbackperstandardandparagraphs.xlsx