**Reply** **form**

Consultation Paper on the Regulatory Technical Standards (RTS) on the European Single Electronic Format (ESEF) defining marking up rules for sustainability reporting and revising the marking up rules for the Notes to the IFRS consolidated financial statements and, on the amendments to the RTS on the European Electronic Access Point (EEAP)

Responding to this paper

ESMA invites comments on all matters in the Consultation Paper and in particular on the specific questions in this reply form. Comments are most helpful if they:

* respond to the question stated;
* indicate the specific question to which the comment relates;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all comments received by **31 March 2025.**

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

* Insert your responses to the questions in the Consultation Paper in this reply form.
* Please do not remove tags of the type <ESMA\_QUESTION\_ESEFEEAP\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
* If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
* When you have drafted your responses, save the reply form according to the following convention: ESMA\_ESEFEEAP\_nameofrespondent.

For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA\_ESEFEEAP\_ABCD.

* Upload the Word reply form containing your responses to ESMA’s website (**pdf documents will not be considered except for annexes**). All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input - Consultations’.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

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# General information about respondent

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of the company / organisation | Air Liquide | | | |
| Are you representing an association? |  | | | |
| Country/Region | France | | | |
| Activity |  | Information provider (issuer, undertaking or preparer) of corporate reports subject to digitalisation requirements in the EU |  | Public interest entity (entities governed by the law of an European Union Member State whose transferable securities are admitted to trading on a regulated market of any Member State; (ii) credit institutions; (iii) insurance undertakings, or (iv) entities designated by Member States as public-interest entities) |
|  | Non-public interest entity (large non-listed EU company, including large EU company with securities only listed outside EU regulated markets) |
|  | Non-public interest entity (large non-EU company with securities listed in EU regulated markets) |
|  | Non-public interest entity (SME listed in EU regulated markets) |
|  | Other (provide comment):  Click here to enter text. |
|  | User of digitalised corporate reporting from EU companies |  | Investor |
|  | Data analyst |
|  | Data aggregator |
|  | Asset manager |
|  | Other (provide comment):  Click here to enter text. |
|  | Software provider | | |
|  | Auditor of corporate reporting subject to digitalisation requirements in the EU | | |
|  | Other (provide comments) | Click here to enter text. | |

# Questions

Marking up sustainability reporting

**Question 1:** Do you agree with the assessment framework and the manner in which the various elements and factors are to be considered in developing the marking up rules and the phased approach? If not, please explain your reasons and suggest any elements or factors that should be added or removed, or propose sound alternative assessment frameworks.

<ESMA\_QUESTION\_ESEFEEAP\_01>

We disagree with the assessment framework.

First and foremost, it is essential to identify the source of such a request for a detailed marking up. Has a **study** been conducted to assess **how many users** would effectively use the digital tagging, what the **use cases** and the **effective benefits** of the digital tagging are? Air Liquide has no knowledge of such a study and neither of our usual contacts (extra-financial rating agencies, NGOs, institutional investors, individual shareholders…) has never requested the digital tagging of its Sustainability Statements.

The feedback on the digital tagging of the Notes have been predominantly negative from both the preparers and users, indicating that its application is complex and burdensome. In particular, it is highlighted in section 6.1.2 that text block markups are “less suited to automated analysis” and that “despite issuers’ efforts to improve text block markup, users have been unable to fully utilise the information contained in text block markups”. **Considering that the sustainability reporting is in its vast majority made of narratives content (vs. quantitative content), which are unstructured and numerous, and therefore complex to mark up and not comparable from one issuer to another, it is likely that it will be burdensome for the preparers without addressing the needs of the users.**

Additionally, the proposal is grounded on **biased assumptions**:

* In section 3.3.1, it is mentioned that “it should not be viewed as an overly burdensome task, particularly if the way the structure of the disclosure closely adheres to the structure of the standards”. Considering that only some preparers have issued their first sustainability statement in 2025 relating to 2024, has a study been conducted to assess to which extent the issuers indeed adhere to the structure of the standards and up to which level of the disclosures ? Additionally, such adherence would de facto remove the option for preparers to tailor the structure of the content to their own specificities and needs within each ESRS, that supports a better understandability and readability of the sustainability report.
* In section 6.1.3, it is mentioned that “[it] supports tasks like side-by-side comparisons of the same disclosure across companies within a peer group, assuming similar content sizes.” Has a study been conducted to assess whether the content sizes of sustainability reports are indeed similar ?

Furthermore, we are of the opinion that the digital tagging shall not be a priority due to the following reasons:

* **the sustainability reporting should mature first** **and be more stabilized** before considering any digital tagging. The proposal highlights that the “burden is shaped by factors such as their prior experience with marking up information, the volume of information to be marked up and the complexity of the taxonomy to be applied”. Applied to the sustainability statement, it is likely that the burden will be high since (i) there is no experience in producing a sustainability statement (only companies of Wave 1 are publishing their first sustainability statement in 2025 relating to 2024) and even less experience in tagging such statement, (ii) the volume of information is very high (+1,200 data points depending on how one counts).
* the European Commission has made proposals in the frame of the Omnibus package to simplify the reporting and is considering revising the ESRS. There is **no urgency to work on a taxonomy on contents that may evolve in the coming months/years**.
* the proposal “aims to maximise opportunities for European and international users to effectively leverage the disclosed data”. **Yet, in practice, most extra-financial rating agencies send their own questionnaires - blank - to the preparers, they  do not pre-fill them with our own data, and questionnaires’ content is not always aligned with CSRD definitions**.
* numerous users are developing IA to process the annual reporting. **We do not see the added value of implementing such a digital tagging - already assessed as being complex, burdensome and costly in regards to the Notes - while an IA may provide a similar service level** (or even more since an IA would also be able to interpret the narratives content). Additionally, digital tagging may be obsolete in the near future due to the progress of the technology. It shall also be noted that most ESG rating agencies do not process by themselves the annual reports but rather send their blank questionnaire to the issuers; they then use IA to process the answers. Has a study been conducted to assess how many users indeed use the digital tagging ?

When looking into the detailed aspects of the proposed digitalization:

* The boolean and enumeration types represent a binary vision which is not suitable for sustainability reporting, where the disclosures are usually more nuanced. The undertaking’s statements are rarely of yes/no type. As highlighted in the document, the narrative disclosures are unstructured. Their implementation is likely to be complex in practice, also considering the lack of experience in these item types since they do not exist in the digital tagging of the Notes to the financial statements.
* it is already a well-known fact that a tagging at level 2 ESRS disclosures may not be completely accurate (§44).

<ESMA\_QUESTION\_ESEFEEAP\_01>

**Question 2:** Do you agree with the phased approach and the proposed timeline? Do you concur that the first phase should be implemented for the same financial year or the following financial year depending on the publication date of amendments to the RTS on ESEF in the OJ (before or after 30 June of the given year)? If not, please provide your reasons and suggest any well-founded alternative timelines for implementation.

<ESMA\_QUESTION\_ESEFEEAP\_02>

First and foremost, **it is not understandable to consider that ultimately the human-readable version shall be tailored to the machine-readable version needs.** The principle shall be the other way around: the machine shall be tailored to the human’s needs.

Then, about the proposed timeline, we are of the opinion that **the digital tagging shall not be a priority for the reasons mentioned in Question 1.**

Shall it be implemented, the proposal of having an application to the same year of the publication year if it takes place before 30 June is too short. The preparers shall benefit for a longer period than 6 months to implement the digital tagging. **In all cases, the application shall take place the subsequent financial year.**

<ESMA\_QUESTION\_ESEFEEAP\_02>

**Question 3:** Do you agree with only considering an additional staggered approach based on the type of large undertakings? If not, please explain your reasons and suggest alternatives or other factors that should be considered and why.

<ESMA\_QUESTION\_ESEFEEAP\_03>

No opinion since our Group is a large PIE.

<ESMA\_QUESTION\_ESEFEEAP\_03>

**Question 4:** Do you agree with the phases and the content to be marked up as outlined for each phase? If not, please provide your reasons and suggest any well-founded alternative regarding the content for each phase, together with the rationale behind your suggestions.

<ESMA\_QUESTION\_ESEFEEAP\_04>

We disagree on the following items:

* Phase 1 - The **Minimum Disclosure Requirements** have to be provided for each policy, action, target and metric. In practice, the MDR disclosure may frequently be disclosed alongside with the policy, action, target and metric it is related to and does not constitute one single data point. In conclusion, the tagging of MDR shall not be tied to the tagging of ESRS 2 but rather to the topical ESRS where the corresponding policies, actions, targets and metrics are located.
* Phases 2 and 3 - The **tagging shall be limited to Level 1**, i.e. at the level of the “rule-based DR” which properly reflects the objective that a preparer shall reach for each disclosure requirement. It is a well-known fact that “*the ESRS taxonomy might not have a perfect match with Level 2 ESRS disclosure requirements*” (§79.b). Having a tagging at a more granular level than level 1 may therefore lead to inaccurate interpretation by the users and endless discussion with the auditors since it would require us to exercise our judgment. Additionally, the datapoints at more granular level (levels 2 and 3) are often combined to enhance the readability and understandability for the users; level 3 application requirements are sometimes illustrative examples which are not meant to encompass all situations, tagging at level 3 would possibly leave important information untagged;  tagging at levels 2 or 3 may not provide a faithful representation of the statement by the undertakings.
* Phase 3 - The **non-material metrics cannot be marked up**. If they are not material, they are not disclosed (ESRS 1, §34). We therefore disagree with §82 of the consultation.

**We do not understand the following items**:

* Phase 1 - “*ESMA recommends establishing digital relationships between IROs, Policies, Actions, Targets and Metrics to be marked up in the corresponding sectoral disclosures using the corresponding fact-to-fact relationship defined in the ESRS XBRL core taxonomy.*” If in phase 1 the policies, actions, targets and metrics are not to be tagged, how can we mark their relationship with the IROs ?
* Phase 1 - Which level shall be applied to the disclosures of E1 ?
* Phase 1 - What shall be applied to the semi-narrative disclosures during Phase 1 ?
* Phase 2 - Which level shall be applied to the semi-narrative disclosures during Phase 2 ?
* Phase 2 - Narrative disclosures of E2 to G1 would have been marked up during Phase 1. We do not understand why they are again included in §79.a)
* Phase 2 - the difference between 79.b) and 79.c)

In regards to the various applications of ESRS XBRL taxonomy validation rules, **the feedback of the software editors shall be collected** since it covers technical aspects where the undertakings are not sufficiently knowledgeable.

<ESMA\_QUESTION\_ESEFEEAP\_04>

**Question 5:** Do you think it is necessary to establish a clear timeline and content for each phase from the outset? If not, please explain your reasons and propose alternative approaches.

<ESMA\_QUESTION\_ESEFEEAP\_05>

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<ESMA\_QUESTION\_ESEFEEAP\_05>

**Question 6:** Do you agree with the approach to limit the creation of extension taxonomy elements for marking up sustainably reports? If not, please explain your reasons and suggest alternative approaches.

<ESMA\_QUESTION\_ESEFEEAP\_06>

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<ESMA\_QUESTION\_ESEFEEAP\_06>

**Question 7:** Do you agree with the inclusion of a review clause that would trigger stock-taking by ESMA on the need to make necessary adjustments in response to changing circumstances? If not, please explain your reasons.

<ESMA\_QUESTION\_ESEFEEAP\_07>

As explained in question 1, the digital tagging shall not be implemented in the current state in order to let the sustainability statement mature.

It is mentioned in §87 that a “*field test could not be conducted in advance due to the unavailability of the first ESRS sustainability statements*”. **Postponing the implementation of the digital tagging would leave room to run such a field test**, which is critical to ensure efficient tagging for preparers as well for users.

<ESMA\_QUESTION\_ESEFEEAP\_07>

Marking up Article 8 sustainability disclosures

**Question 8:** Do you agree with having a closed taxonomy for Article 8 sustainability disclosures? If not, please explain your reasons and provide examples on when entity-specific extensions might be necessary.

<ESMA\_QUESTION\_ESEFEEAP\_08>

**We agree** with a close taxonomy in the meaning of “no-entity-specific disclosures” provided that the issues raised in question 9 are addressed and that a distinction is made between non-financial undertakings and financial undertakings.

<ESMA\_QUESTION\_ESEFEEAP\_08>

**Question 9:** Do you agree with the proposed requirement to fully mark up the Article 8 sustainability disclosures without implementing a phased approach in relation to the content of the information to be marked up? Do you agree with only considering a staggered approach based on the type of large undertakings? If not, please explain your reasons and suggest alternative approaches.

<ESMA\_QUESTION\_ESEFEEAP\_09>

**We disagree** with the proposal: only some indicators shall be marked-up digitally: the undertaking’s global eligible ratio and aligned ratio for turnover and for CapEx for two reasons.

The first reason is that there is no (or only a few) user(s) for the ratios detailed by activity.

The second reason lies in the continuously changing regulatory landscape and the implied effort for updating frequently the tagging. The disclosure templates of the EU Taxonomy are continuously changing. They were amended for the reporting on 2023 reporting year and it is likely that they will be again amended for the reporting on 2025 reporting year (see the consultation open by the EU Commission on the EU Taxonomy <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14546-Taxonomy-Delegated-Acts-amendments-to-make-reporting-simpler-and-more-cost-effective-for-companies_en> )

It is **impossible for preparers to implement the revised disclosure templates at the same time they update the revised marking-up**. The cost of adjusting the digital tagging will be high since it would have to be revised each year or each two years.

**Having to mark-up only the key KPIs (eligible and aligned Turnover and CapEx) at the global level (i.e. not for each activity)** may address the issue relating to the frequently amended disclosure templates as well as the need of the users who are more interested in the global KPI than the one per activity.

Additionally, the undertakings shall be free **not to disclose the eligible activities that are not relevant for them**, as it is today in human-readable format (which would imply that the undertakings shall not have to mark up each activity listed in the Delegated Acts).

<ESMA\_QUESTION\_ESEFEEAP\_09>

**Question 10:** Do you support the requirement to mark up the Article 8 sustainability disclosures for the same financial year or the following financial year depending on the publication of the RTS on ESEF in the OJ and align it with the sustainability marking up? If not, please provide your reasons and suggest alternative approaches.

<ESMA\_QUESTION\_ESEFEEAP\_10>

Shall it be implemented, the proposal of having an application to the same year of the publication year if it takes place before 30 June is too short. The preparers shall benefit for a longer period than 6 months to implement the digital tagging. **In all cases, the application shall take place the subsequent financial year.**

<ESMA\_QUESTION\_ESEFEEAP\_10>

**Question 11:** Do you agree with the inclusion of a review clause that would trigger stock-taking by ESMA to consider any necessary adjustments in response to the evolving circumstances? If not, please provide your reasons.

<ESMA\_QUESTION\_ESEFEEAP\_11>

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<ESMA\_QUESTION\_ESEFEEAP\_11>

Common technical aspects: incorporating the ESRS and Article 8 digital taxonomies into the ESEF taxonomy framework

**Question 12:** Do you agree with the technical approach followed by ESMA with regards to incorporating ESRS and Article 8 digital taxonomies from EFRAG into the ESEF taxonomy framework?

<ESMA\_QUESTION\_ESEFEEAP\_12>

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<ESMA\_QUESTION\_ESEFEEAP\_12>

**Question 13:** Should ESMA consider using the EFRAG taxonomy files ‘as-is’ and without developing a ‘technical’ extension, similar to the one developed for IFRS accounting taxonomy scope?

<ESMA\_QUESTION\_ESEFEEAP\_13>

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<ESMA\_QUESTION\_ESEFEEAP\_13>

**Question 14:** Do you have any other suggestions in relation to the future ESEF taxonomy framework and how ESMA can further reduce the burden for the reporting entities?

<ESMA\_QUESTION\_ESEFEEAP\_14>

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<ESMA\_QUESTION\_ESEFEEAP\_14>

Marking up the Notes to the IFRS consolidated financial statements

**Question 15:** Do you agree that it is necessary to revise the marking up rules for the Notes to the IFRS consolidated financial statements? If not, please explain your reasons.

<ESMA\_QUESTION\_ESEFEEAP\_15>

**We agree** that it is necessary to revise the marking up rules for the Notes to the IFRS consolidated financial statements with regard to the **need to eliminate multi- and embedded-marking up**. We support the conclusion expressed in § 145 of the section 6.1.2 of the Consultation which states that the complexity arises from “the absence of clear hierarchy among mandatory elements, and the overlapping or embedded nature of certain elements due to their similar accounting meanings” and from the fact that “some mandatory elements cover broad accounting concepts that span multiple pages or, in some cases, the entirety of the Notes”. We totally agree with the principal to mark-up each accounting policy and other explanatory note that is individually and separately identifiable in the Notes with **one taxonomy element** that best represents the **closest/narrowest accounting meaning and/or scope**. This is aligned with the principle already applied for marking up of the Primary Financial Statements.

However, **we** **strongly disagree** with the necessity to revise the marking up rules for the Notes to the IFRS consolidated financial statements with regard to the **need for introduction of detailed marking up for the Notes** (where issuers should mark up all numerical elements including but not limited to monetary values, decimals, dates, integers and percentages as well as elements with booleans and enumerations item types as well as figures expressed in a declared currency in the tables) for the **following reasons**:

* First, we do not understand the source of such a request for a detailed marking up of the Notes. It is mentioned in §§ 145 and 147 of the section 6.1.2 of the Consultation that “the feedback on the application of mandatory elements and text block markup in the Notes has been predominantly negative from both issuers and users” and that “users have been unable to fully utilise the information contained in text block markups”. Has a **study** been conducted to assess **how many users** effectively use the ESEF format, what the **use cases** and the **effective benefits** of the digital tagging are? Air Liquide has no knowledge of such a study and neither of our usual contacts (analysts, institutional investors…) has never questioned the Company about the digital tagging of its Primary Financial Statements or Notes. In addition, it is also mentioned in § 5 of the section 2 Introduction of the consultation that “XHTML is freely accessible and can be viewed in a human-readable format without the need for special tools” and that “XBRL is machine-readable and facilitates the automated processing of large volumes of data”. It is to be noted that these statements do not take into account the cases of issuers having a large part of individual shareholders who do not use any automated process of analyzing the documents but still largely rely on pdf or hard copies for those who are not at ease with digital tools and/or when a legal requirement exists to provide such hard copies (which obliges the issuers to double work: prepare digital documents from the one hand, and pdf and hard copies, from the other hand);
* Further, it is stated in § 148 of the section 6.1.2 of the Consultation that “text block markups are **inherently less suited to automated analysis** compared to individually tagged numerical values”. In our view, it is important to highlight that the financial statements are not limited to the set of figures but should precisely be **read together with accompanying comments** provided in the Notes to enable understanding of the Primary Financial Statements in the context of entity-specific circumstances, transactions and accounting treatment choices. That is why we think it is **not desirable** and might even be dangerous to **limit the analysis** of the financial statements to **automated extraction and comparison of numeric values**. We are convinced that textual information provided in the Notes can and shall be part of such an analysis and is totally **feasible from a technical standpoint**. Indeed, we think that the argument in the § 148 of the section 6.1.2 of the Consultation stating that “text block markups are unrestricted in structure and formatting, allowing them to contain paragraphs, tables, diagrams, images, or any other HTML content, without limits on content size. A text block markup might include a single sentence, a paragraph, an entire page, or even hundreds of pages of disclosures” is exaggerated when speaking about the Notes to the financial statements. In fact, the latter are ruled by materiality principle and **one text block rarely includes more than one page** of information in average (more often even less), except for cases of “generic” mandatory elements which were supposed to be used for the entire set of the Notes. However, **such tags as well as other multiple and/or embedded markups will be deleted in Phase one**. Also, Notes to financial statements **rarely include anything else than tables and text** and almost never diagrams or images;
* It is also mentioned in § 147 of the section 6.1.2 of the Consultation that “one primary issue is that many ESEF reports were generated by **converting PDF reports to XHTML and then adding Inline XBRL markups**” and that “this approach often results in large XHTML documents filled with additional tags used to precisely position individual lines, words, or even letters, which **diminishes the readability of the markup when viewed in isolation**”. We wonder again if there has been any **study** conducted to evaluate **how many reports in practice are prepared in this way**? As an example, Air Liquide Group does not prepare its ESEF filing on the basis of a PDF report, its filing documents are issued directly from the Disclosure Management tool used, and **no such readability problems have been reported** by the auditors, French Market Authority (AMF) or users. Consequently, we consider that this example is **rather an illustration of technical limitations of certain tools used for tagging than a relevant argument against block text mark-up approach**;
* In addition, § 146 of the section 6.1.2 of the Consultation argues that “**unlike numerical data, which software can easily validate**, assessing the **accuracy of text block content** relies significantly on **human expertise**”. We would like to highlight that while validation rules do exist (including for calculations or to check if a numeric tag has all necessary attributes), there is **no possible automatic validation to check**, for example, that **scale or rounding or balance** (debit/credit) attributes of a numeric tag are correct, and **such verifications are human**. Errors have already been detected in this sense in ESEF reports filed since 2020/2021 and they were often the object of ESMA enforcement priorities for annual financial reports and French Market Authority (AMF) recommendations since first ESEF filings. If detailed tagging for the Notes is introduced, the **time spent** by issuers and auditors on these verifications and the **risk of errors** will be **increased** even further. Furthermore, **human expertise** will be needed for **mapping** of different numeric items to taxonomy concepts which has already been proven extremely **time-consuming** and **complex** for issuers, involving **multiple discussions** with their auditors;

* Finally, we do not agree with the argument mentioned in § 5 of the section 2 Introduction of the Consultation which states that “the use of a taxonomy **improves the usability and comparability** of the marked up information”. The electronic format should only be the **translation** of what is presented in “human readable” format of the financial statements, consequently, it **cannot by itself make information more comparable** if it is not because of entity-specific elements. The use of taxonomy **should not substitute the IFRS rules** and should not have any impact on how the financial statements are structured/presented.

<ESMA\_QUESTION\_ESEFEEAP\_15>

**Question 16:** Do you agree with the phased-in approach and the proposed timeline? Do you also agree that the first phase should take effect with the annual financial report for the financial year when the amendment to the RTS on ESEF is published in the OJ before 30 September of the given year? If not, please explain your reasons and suggest any alternative timelines for the implementation.

<ESMA\_QUESTION\_ESEFEEAP\_16>

**We disagree** with the proposed timeline. It is unrealistic to think that the implementation of new rules is possible only a few months after the publication of the final RTS, especially taking into account that no field tests have been conducted. Issuers and editors should have sufficient time to properly implement and test changes. Consequently, we are convinced that the **only acceptable immediate modification** is the **removal of multi- and embedded-marking up**.

As for the second phase, which is supposed to start in 2028 for 2027 financial statements, it is paramount to take into account that this will coincide with the **first application date of IFRS 18**. This new standard will have an important impact on the structure of the Primary Financial Statements and Notes, consequently:

* experience should be acquired and stabilization of publications on the basis of new requirements should be achieved before working on digital tagging;
* it is not possible to ask issuers to accumulate substantive work on IFRS 18 implementation and digital tagging.

<ESMA\_QUESTION\_ESEFEEAP\_16>

**Question 17**: Do you agree with the content outlined for phase one? Specifically, do you support the proposed approach to text block mark up the Notes to the IFRS consolidated financial statements? If not, please provide your reasons and suggest alternatives to marking up text blocks in the Notes to the IFRS consolidated financial statements.

<ESMA\_QUESTION\_ESEFEEAP\_17>

**We fully agree** with the principle of “completeness of marking up” for text block marking up of the Notes and that each accounting policy and other explanatory note that is individually and separately identifiable in the Notes (e.g. by setting up sections, sub-sections or sub-sub-sections in a note) should be marked up with **one core taxonomy element** that best represents the **closest/narrowest accounting meaning and/or scope**, avoiding over-marking up and minimising nested- or multi-marking up.

However, **we disagree** with **separate and individual marking-up of each table** disclosed in the Notes. We do not understand the added value of this additional mark-up: as explained in the answer to question 15, Notes to financial statements rarely include anything else than tables and text and both should be read together. From a technical standpoint, it is already required that the structure of the table be reproduced and readable in the XBRL tag. This requirement is already taken into account by software editors and if it is not, it should be considered rather as a limitation of certain tools than an argument in favour of an additional separate marking-up. In addition, it is not clear with what kind of tag the tables should be marked-up. It is also noted in § 158 (b) of the section 6.2.2 of the Consultation that relationships should be created “between the marked up tables and the corresponding XBRL elements in the primary  financial statements”: such a requirement, as well as other technical requirements (type of tag, style attributes etc.), should be technically tested via appropriate field tests, which, as far as we understand, have not been conducted with respect to these modifications.

Furthermore, it is also noted in the same section of the Consultation that “issuers will need to carefully structure their Notes to the IFRS consolidated financial statements to provide relevant and meaningful sub-headings that encapsulate the underlying disclosures. This will facilitate both the process of marking up … and the overall usability of the text blocks by end-users…”. We insist again that digital tagging in itself **should not be a dissimulated way to create obligations of structuring the financial statements and/or Notes in a particular way**. This is rather the objective of IFRS 18, which, as mentioned above, will have an important impact on the structure of the Primary Financial Statements and Notes. Stabilization in the application of these new requirements should be achieved before asking for any further modifications of tagging requirements and rules, and two projects cannot be reasonably expected to be conducted at the same time.

<ESMA\_QUESTION\_ESEFEEAP\_17>

**Question 18:** Do you agree with the content outlined in phase two? Do you think there is added value in detailed marking up of the Notes to the IFRS consolidated financial statements, particularly for all figures in a declared currency within the tables? Do you think that detailed tagging of numerical elements for which issuers should create extensions because there is no corresponding core taxonomy element provide added value? If not, please provide your reasons and suggest alternatives to detailed-marking up the Notes to the IFRS consolidated financial statements.

<ESMA\_QUESTION\_ESEFEEAP\_18>

**We strongly disagree** with the content outlined in phase two for the reasons mentioned in the answers to questions 15 and 16. To summarize the arguments highlighted above, detailed marking up of all numeric items in the Notes to the IFRS consolidated financial statements, including all figures in a declared currency within the tables will require a **very complex and time consuming work for all issuers**, with an additional complexity of tagging multidimensions items like tables (with line items and axis/members dimensions), with, as expressed above, **no proven added value**.

<ESMA\_QUESTION\_ESEFEEAP\_18>

**Question 19:** Do you agree with the proposal to remove the current list of mandatory core taxonomy elements outlined in Annex II of the RTS on ESEF and replace it with a more concise and targeted list of mandatory taxonomy elements? If not, please explain your reasons.

<ESMA\_QUESTION\_ESEFEEAP\_19>

It is not clear in which phase (phase one or two) this mandatory list is proposed to be deleted. Although the use of full IFRS taxonomy might be more consistent with the principle of the closest accounting meaning than a list of items selected in a manner which might be arbitrary, the **timing of such a change should be carefully considered** and implementing of such a modification within the phase one might not be desirable. Indeed, **it may trigger a new and complete review of the mapping of Notes to the full IFRS taxonomy**, where the auditors may put into question the concepts previously retained. We consider that a more reasonable  immediate solution (for phase one) can be the right to use a more appropriate tag from full IFRS taxonomy based on the issuer’s judgement but not an obligation to perform a full review of consistency of the tagging to the IFRS full taxonomy.

With respect to the **targeted proposed list of mandatory elements**, **we agree** with the **identification** elements listed in § 162 of the section 6.2.3 of the Consultation (name of reporting entity, etc.). However, **we disagree** with the proposal stated in § 163 of the section 6.2.3 of the Consultation recommending to include “**elements that are currently not required by IFRS**”. We believe that **taxonomy should not be used as a substitute to  normative corpus** and **should not create additional obligations** which do not exist in current IFRS and/or do not belong to the Notes to the financial statements, even if some of them may constitute public information, such as the name of audit firm or type of the audit opinion. Finally, **we strongly disagree** with the proposal of marking up the information which is **not required to be made public** by any legal requirement such as the name of software used to produce the report.

<ESMA\_QUESTION\_ESEFEEAP\_19>

**Question 20:** Do you agree with the proposed list of mandatory elements? If not, please provide your reasons and suggest any elements that should be removed or added.

<ESMA\_QUESTION\_ESEFEEAP\_20>

See answer to question 19 above.

<ESMA\_QUESTION\_ESEFEEAP\_20>

**Question 21:** Do you agree with the revised approach towards the creation of extension taxonomy elements for the Notes to the IFRS consolidated financial statements and the principles outlined? If not, please explain your reasons and suggest alternatives.

<ESMA\_QUESTION\_ESEFEEAP\_21>

We believe that **rules for creation of extensions** should be the **same as those for Primary Financial Statements**. We consider that there is **no reason** for such rules for the Notes to be **more restrictive** compared to the rules with respect to Primary Financial Statements. The issuers should be able to create extensions for Notes if they consider the creation of such extensions relevant. Imposing additional restrictions for creation of extensions **should not be a dissimulated way to create obligations of structuring the financial statements and/or Notes in a particular way**.

**We agree** with the proposal to **anchor** the extensions, like it is already required in Primary Financial Statements.

<ESMA\_QUESTION\_ESEFEEAP\_21>

**Question 22:** Do you agree with the inclusion of a review clause that would trigger stock-taking by ESMA to consider any necessary adjustments in response to the changing circumstances and to bundle these adjustments with other updates where feasible? If not, please explain your reasons.

<ESMA\_QUESTION\_ESEFEEAP\_22>

It is not very clear what exactly the role of ESMA would be and what will be the legal framework under which it will be realized. It is specifically recognized in the section 6.2.5 of the Consultation that the inclusion of this review clause is explained by the fact that **prior field tests have not been conducted**. However, it seems essential that such field tests be performed as it was for ESEF format implementation in order to assess whether the proposed specifications are practicable and to what extent they have to be improved. In addition, the consultation includes a number of **technical aspects/questions**, which should be addressed more to the **software editors** than to issuers, who do not have sufficient expertise to go into such technical details.

<ESMA\_QUESTION\_ESEFEEAP\_22>

Targeted improvements to the existing drafting of the RTS on ESEF

**Question 23**: Do you agree with the proposals for the targeted amendments to the RTS on ESEF? If not, please explain your reasons and suggest alternatives. In your response, reference specific proposals by proposal number.

<ESMA\_QUESTION\_ESEFEEAP\_23>

As mentioned in the answer to the question 22 above, many proposals are rather technical, we do not think issuers can comment on them without proper field testing/input of software editors.

However, we are surprised by proposal 11 which “aims at increasing specificity around what are the most up to date specifications applicable to ESEF filings without needing to include them directly in the RTS on ESEF. This enhances the speed of including the most relevant information for market stakeholders **without needing to always update the RTS on ESEF directly**”. As far as we understand, this proposal suggests introduction of a cross reference to ESMA webpage which would host the most up to date specifications applicable to ESEF and shall replace Annex III, §1 and 2 of RTS. It seems **questionable** to **replace the process of adopting the RTS** which is subject to adoption by the European Commission by a **simple publishing of updates on ESMA’s website** and to incorporate in such updates the latest recommended specifications as published on its website by **XBRL International**, a not for profit organization which **has no role of issuing of mandatory rules of direct application**.

<ESMA\_QUESTION\_ESEFEEAP\_23>

**Question 24:** Are there any additional targeted amendments that could be brought to the RTS on ESEF which are not considered in this proposed list? If yes, please provide additional comments, providing specific references to the RTS on ESEF and concrete wording proposals for ESMA to take into consideration.

<ESMA\_QUESTION\_ESEFEEAP\_24>

See answer to question 23 above.

<ESMA\_QUESTION\_ESEFEEAP\_24>

Amendments to the RTS on the European Electronic Access Point (Delegated Regulation 2016/1437)

**Question 25**: Do you agree that it is necessary to amend the RTS on EEAP and with the way ESMA proposes to do so? If not, please explain your reasons.

<ESMA\_QUESTION\_ESEFEEAP\_25>

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<ESMA\_QUESTION\_ESEFEEAP\_25>

**Question 26:** Do you agree with content of the proposed amendments to the RTS on EEAP? If not, please explain in which regards to you disagree and illustrate any alternative proposal.

<ESMA\_QUESTION\_ESEFEEAP\_26>

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<ESMA\_QUESTION\_ESEFEEAP\_26>

Annex II. Draft Cost/Benefit Analysis on the RTS on ESEF

**Question 27:** Do you agree with ESMA’s high-level understanding of an approximate monetary cost associated with marking up disclosures in IFRS consolidated financial statements and the Notes to the IFRS consolidated financial statements? If you have a different view on the approximate average monetary cost per markup, please supply supporting data.

<ESMA\_QUESTION\_ESEFEEAP\_27>

**We disagree** with ESMA’s understanding of costs associated with marking up disclosures in IFRS consolidated financial statements and the Notes for the **following reasons**:

* First, it is indicated in § 2 of the section 9.2.1 of the Consultation that costs were derived from **ESMA’s 2016 Cost/Benefit Analysis**, which was **an estimation before ESEF format was implemented**, with only inflating to current market conditions (increase of 25% considered, considering a desktop and web-based research by ESMA). We wonder why **real costs** of implementation/run of ESEF format since 2020/2021 were not considered? It is also noted in § 3 of the section 9.2.1 of the Consultation that the CBA “considered innovation factors derived from using machine-readable data… including a broader accessibility to digitalised datapoints… and reduced information processing costs and information asymmetry, market inefficiencies and risks”, however, as mentioned in the answer to question 15 above, has a study been conducted to assess how many users effectively use the ESEF format, what the use cases and the **effective benefits** of the digital tagging are? Finally, as mentioned in § 5 of the section 9.2.2.1 of the Consultation, **no estimate related to detailed marking up was made**, which represent a large part of proposed amendments;
* Further, it is noted in section 9.2.3.2.1 of the Consultation that “marking up of **numerical items** and semi-narrative data types generally **requires less effort** than block-marking up large narrative sections, especially when those disclosures are scattered throughout the report”. **We disagree** with this statement: provided the multi- and embedded-marking up of the Notes is removed, marking-up of Notes will not represent additional difficulties. On the contrary, if **all numeric items in the Notes** are to be marked-up, this will require a **lot of additional work**: numerical items are **scattered** throughout the Notes and those in tables require tagging with **multiple dimensions** (axis, members and line items). Issuers will need to **map** all those multiple items to the **appropriate concepts** in the taxonomy and get the mapping **validated** by their **auditors**, which will take additional time of discussions. As the field tests were not conducted, it is also unclear to what extent the core taxonomy elements would be sufficient to mark-up such items or if creation of a lot of extensions will be needed;
* In addition, on the basis of our experience, we believe that **costs in “run” mode should not be underestimated** either. Although software can indeed allow for a rollforward of the XBRL tags, there are annual updates of taxonomy and reporting manual, updates of the auditor’s position/consensus and updates of the Notes to the financial statements **to be considered every year**. Rollforward results should still be reviewed/verified (for example, some concepts that may have both debit/credit balances should be verified and the balance attribute updated if different from that of the last year’s);

Consequently, 6.29 man days/2.5 man days for the first XBRL report/subsequent filing mentioned in § 6 of the section 9.2.2.1 of the Consultation seem **largely underestimated**.  As an example, 35 ESEF report generations for the first filing in 2021 and 38 ESEF report generations for 2024 filing were needed before creation of final filing documents for Air Liquide. **Multiple steps** should be taken into account **before the final filing package is ready**: mapping (selection of appropriate concepts which will be very time consuming should the detailed Notes marking-up be introduced, validation of the mapping by the auditors, practical implementation in the software, resolution of errors and technical validation by the auditors). It should also be noted that the entire process is often realized by staff (whether internal or external) with “expert” profiles in a context of pressure on availability of resources and/or costs.

<ESMA\_QUESTION\_ESEFEEAP\_27>

**Question 28:** Do you agree with ESMA’s high-level understanding of an approximate monetary cost per markup and other additional costs associated with marking up disclosures of sustainability reporting? If you have a different view on the approximate average monetary cost per markup, please supply supporting data.

<ESMA\_QUESTION\_ESEFEEAP\_28>

**We disagree** with ESMA’s understanding of costs associated with marking up the sustainability reporting for the **following reasons**:

* The **costs associated with the audit** of the sustainability report **have already been underestimated.**
* Only a few issuers have published their first sustainability report. There is **no experience on the matter and no field test has been conducted**, supporting a reliable estimate of the costs to mark up.

<ESMA\_QUESTION\_ESEFEEAP\_28>

**Question 29:** Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to defining the rules to mark up the sustainability statements? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?

<ESMA\_QUESTION\_ESEFEEAP\_29>

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<ESMA\_QUESTION\_ESEFEEAP\_29>

**Question 30:** Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to the use of a list of mandatory elements for marking up the sustainability statements? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?

<ESMA\_QUESTION\_ESEFEEAP\_30>

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<ESMA\_QUESTION\_ESEFEEAP\_30>

**Question 31:** Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to defining the rules for marking up Article 8 sustainability disclosures in the sustainability statements? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?

<ESMA\_QUESTION\_ESEFEEAP\_31>

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<ESMA\_QUESTION\_ESEFEEAP\_31>

**Question 32**: Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to the review of the current marking up approach for the Notes to the IFRS consolidated financial statements? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?

<ESMA\_QUESTION\_ESEFEEAP\_32>

See answer to questions 15 and 27.

<ESMA\_QUESTION\_ESEFEEAP\_32>

**Question 33:** Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to the review of the list of mandatory elements under Annex II to RTS on ESEF? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?

<ESMA\_QUESTION\_ESEFEEAP\_33>

See answer to question 19.

<ESMA\_QUESTION\_ESEFEEAP\_33>

Annex III. Draft Cost/Benefit Analysis relating to the amendment to the RTS on the EEAP

**Question 34:** Do you agree with the assessment of costs and benefits developed by ESMA with respect to the review of the RTS on EEAP?

<ESMA\_QUESTION\_ESEFEEAP\_34>

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<ESMA\_QUESTION\_ESEFEEAP\_34>

Annex IV. Legal text RTS on ESEF

**Question 35:** Do you agree with the proposed drafting amendments to the RTS on ESEF? If not, please explain your reasons and suggest alternatives. In your response, reference specific sections and paragraphs of the RTS on ESEF (i.e., Annex III, paragraph 1).

<ESMA\_QUESTION\_ESEFEEAP\_35>

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<ESMA\_QUESTION\_ESEFEEAP\_35>

**Question 36:** Are there any additional drafting amendments that could be brought to the RTS on ESEF which are not considered in this draft legal text? If yes, please provide additional comments, providing specific references to the RTS on ESEF, underlying reasoning and concrete wording suggestions for ESMA to take into consideration.

<ESMA\_QUESTION\_ESEFEEAP\_36>

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<ESMA\_QUESTION\_ESEFEEAP\_36>