

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.

The structure to which ESMA refers to paragraph 44 it is not always followed in the ESRS. In cases where this distinction between different levels of the paragraph is not so clear it will be harder to correctly apply the paragraph distinction (especially considering the phase-in proposed, i.e. to what disclosures not clearly identified with “letters” or “numbers” will it apply?) and if preparers will need to exercise their judgement in these cases comparability will be hindered. Moreover, even if the structure presented in ESRS was always clear, if a company would have followed it very strictly, this would lead to a very rigid structure of the Sustainability Statement and companies would lose the possibility to present information according to their own narrative.

We note that the complexity of this approach is in contrast with the proposed measures under discussion to reduce listed companies’ reporting burdens and that such a complex process to tag the entire statement of sustainability will raise administrative costs and increase workload for reporting departments in a significant manner.

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.

Even though we agree that a phase-in approach would be better in terms of implementation, we would prefer that only particularly relevant data are tagged, without fully tagging the entire document, especially considering that the ESRS contain more than 1 thousand datapoints. It must be considered that the tagging activity has a negative impact on the timeline of the reporting preparation process deadlines, because it reduces the amount of time dedicated to drafting the document in order to leave space to the actual tagging; in fact, when the auditors set the deadline, the document should be finalized and ready for tagging at least two weeks before the auditors release their opinion, further burdening the preparation process. In any case, it would be better to provide for the application of the first phase for the following financial year in order to give time to preparers to adequately prepare for the application (without applying it the same year of the publication in the OJ if it happens before 30 June of that year).

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.

-

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.

The phases approach could help the companies but at the same time we believe that just the most relevant information should be tagged.

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.

If a phased approach is adopted, it would be very relevant to specify a clear timeline of application for the different phases, in order to guarantee greater comparability and to give the possibility to preparers to set up a specific implementation roadmap, especially related to phased investments.

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.

Yes, extensions should be, as much as possible, limited. Anyways it must be considered that if the level of granularity requested is too high, companies could recur to extension taxonomy elements even though this approach is limited by design, so we advise to carefully consider this element and avoid a too granular tagging.

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.

Yes, especially considering the fast pace at which the regulatory landscape is moving/changing, considering a feasible timing for companies to implement the changes.

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.

In order to reduce administrative burden, a digital tagging of taxonomy article 8 could be made on a voluntary basis. In fact, there are a lot of taxonomy tables which are not useful at all to be tagged and the only tagging really needed could be the one related to the three macro-KPIs (Opex, Capex, Turnover).

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.

A digital tagging of EU taxonomy article 8 would be useful only if limited to the three fundamental KPIs (See also previous answer).

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.

It would be better to provide for the application of the first phase for the following financial year in order to give time to preparers to adequately prepare for the application (without applying it the same year of the publication in the OJ if it happens before 30 June of that year).

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.

Yes.

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?

-

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?

-

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?

Digital tagging should be utilized only for quantitative data and very relevant KPIs without the necessity to tag every single information. Moreover, the evolution in the application of specific emerging technologies, like AI, should be considered.

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.

In our opinion, it is suggested to maintain the actual approach in order not to create further burden to the companies. In fact, even if the actual process may have some flaws implementing a completely new "very

detailed" one will result in a more burdensome activity and the associated cost will probably not be counterbalanced by the related benefits.

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.

-

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.

-

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.

We do not believe that tagging every single information contained in the Notes to the IFRS consolidated financial statements would provide a useful exercise because this activity will be extremely burdensome and comparability on these aspects will be anyway hindered by the fact that companies would use a lot of extensions (as it is already the case with a broader tagging).

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.

Yes.

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.

Yes.

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.

-

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.

Yes.

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.

-

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.

-

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.

-

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.

-

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.

In general, we suggest to carefully evaluate the data presented as the costs associated on these activities in our opinion are underestimated. In particular, the specific individual cost for every single company (which is also mentioned in the document) would be particularly relevant and could not be excluded from the cost/benefit analysis even though it is hard to make a general estimation. For example, the costs associated with hired consultants, needed to implement the new features, will be very high and it is difficult not to take them into account when conducting such activities. Moreover, if the approach of tagging every single datapoint (even qualitative ones) is adopted, the costs related to digital tagging activities will skyrocket.

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.

See comment on Question 27

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?

See comment on Question 27

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?

-

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?

-

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?

See comment on Question 27

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?

-

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?

-

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).

-

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 with respect to the use of a list of mandatory elements for marking up the sustainability statements?

-