# General information about respondent

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of the company / organisation | Workiva Inc. | | | |
| Are you representing an association? |  | | | |
| Country/Region | International | | | |
| 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>

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<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>

We agree with the phased approach, but we believe there are opportunities to improve the phasing.

1. **Avoid uncertainty in the timeline:** The consultation paper discussed that the phase-in of sustainability digitisation is dependent on when the updated RTS is published to the Official Journal (OJ), and the impact could be a difference between starting XBRL reporting for the publication year (e.g. for 2026 reporting in 2027) or the next year (e.g. for 2027 reporting in 2028). This uncertainty could post challenges to the filing communities in planning, procurement, capacity building, and ultimately implementation readiness. Filers may have higher difficulty in optimizing solution procurement timing, and providers may risk establishing capacity that could be underutilized for a year. We encourage the ESMA to consider an approach that helps confirm the compliance dates as early as possible. For example, the Securities Exchange Commission (SEC) refers to their website for supported taxonomies and other guidance to be published after final rulemaking, enabling earlier rule finalisation.
2. **Keep overall market readiness in mind:**
   1. **Need early access to materials**: As software and service providers require lead time to get their solutions in place, a true implementation window for the filers must take this into consideration. Full implementation depends on guidance details which may follow a different schedule so publication to the OJ may not be indicative of the software support timing. We believe it would be very important to make the taxonomy and guidance materials such as the ESEF reporting manual available as early as possible in order to maximize the preparation time available within the phase-in window.

For example, when new XBRL features are involved, the market requires additional lead time to update products and training. Confirming early on whether the rule would incorporate newly required features, such as fact-to-fact relationships, etc., could help the market determine proper prioritisation for compliance readiness.

* 1. **Special accommodation in the first year**: We recommend potentially considering relaxing the filing deadline in the first year of each phase to support a more orderly transition.

1. **Balance burden and lengthened implementation cycle:** The proposed 3 phases at 2 years each would lead to a 5-year timeline in total for a company to fully phase in digital reporting. The lengthened implementation cycle could lead to compliance fatigue. Each compliance start may bring a spike in workload, followed by a lull before the next phase, creating recurring waves of peaks and valleys. We believe that keeping each phase to 1 year may support stronger momentum for implementation while balancing workload and the initial learning curve. For example, while preparers will need some time to learn and adjust, the usability of XBRL has improved significantly over the years and improvements are constantly being made. The majority of vendors either had existing experience with block-tagging or introduced major improvements for text block in the last year or so. Additional accommodation on the filing deadline may help avoid prolonged phases.

<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>

We understand that allowing companies likely to be less used to XBRL filing additional time is reasonable. We would, however, suggest that additional phasing would be more likely to add to the complication and learning period rather than improve data quality. The simpler the rules, across the board, the more likely we are to see consistency and comparability.

<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>

**Simpler rules benefit everyone**. If there is an opportunity to simplify the identification of content to be marked-up during each phase then we would encourage this. The current phasing takes place across multiple aspects of content and mark-up during each phase and in particular asks companies to identify cases where some content is to be tagged and other content left for a later phase. This potentially slows the tagging, and audit process, as it requires both judgement and review. Automation tools, including AI, can be used to provide many process efficiencies but both significantly benefit from completeness in requirements.

On the three phases for marking up the sustainability requirements under the ESRS standards, for example, specifically for E2-E5, S1-S4, and G1, the phases are based largely on the level of narrative tagging:

* Phase 1: Level 1 Text Blocks;
* Phase 2: Level 2 Text Blocks;
* Phase 3: Level 3 Text Blocks

While we understand the text block leveling aligns to the hierarchy of the standards, however, as the disclosures are often not organized in the exact same fashion as the standards, not numbered, and may be dispersed, it would likely require careful review of the disclosures to distinguish what falls within the scope of Level 2 vs Level 3. During Phase 2, filers looking to implement the Level 2 Text Blocks will need to do a thorough analysis to determine what applies in Phase 2 vs. Phase 3. The incremental effort to apply both text blocks together is relatively minimal once that decision is made, especially when using integrated XBRL solutions. It may be more efficient to apply the tagging at the same time instead of deferring, especially to a much later phase, increasing the chances of having to re-evaluate the disclosures for proper tagging. Therefore, we recommend allowing an option to implement both levels during the same phase.

Further, as semi-narrative disclosures are currently proposed to be marked up during Phase 2, allowing early adopting Phase 3 could further increase efficiency, potentially enabling software to automate semi-narrative based on level 3 Text Block application.

It was further noted in the consultation paper that with Phase 3, if all disclosures are now covered within Level 2 and Level 3 Text Blocks, that the Level 1 Text Block can be removed to avoid excessive multi-tagging. While we understand the potential benefits of reducing overlaps, since the level 1 tagging would have already been applied, it may increase burden to filers to re-evaluate whether to un-do that work. We recommend that ESMA consider allowing the Level 1 Text Block removal optionally.

<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>

Yes, we believe this is very important for planning and budgeting, capacity building, service scheduling to ensure compliance readiness.

<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>

We support the principle of limiting extensions. ESMA can further support the filing communities with practical examples of when and when not to create extensions to reduce ambiguity and increase consistency and data comparability.

<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>

We welcome the inclusion of this review clause as it encourages continued engagement with the stakeholders to promote digital reporting success. In conjunction with this review clause, we recommend providing consultation opportunities on taxonomy updates and other guidance changes ahead of final publication, as well as providing additional support via FAQs, webinars, etc.

<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>

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<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>

Yes, as the Article 8 sustainability disclosures are template-based, the XBRL preparation can follow a structured, standardized conversion approach. Thus, the burden difference between a partial conversion and a full conversion should be negligible.

<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>

Please see our answer to question 2. Uncertainty in time lines affects implementation for all stakeholders.

<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>

Please see Question 7 above.

<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>

We believe it makes sense for the overall combo taxonomy to follow a single approach, consistent with how the ESEF taxonomy is handled today. However, note that mixing open and closed taxonomies can introduce unique software and user requirements to enforce closed-taxonomy restrictions. We would encourage ESMA to evaluate opportunities to allow the Article 8 taxonomy and the resulting XBRL instance to be supported on a more standalone basis.

<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>

In our experience, when taxonomies are used together, ensuring taxonomies harmonisation is very important to streamline implementation. We would encourage ESMA to consider use cases where the ESMA taxonomies may be combined with additional local taxonomies, as well as use cases where specific member states may support the EFRAG base taxonomies for other non-PIE reporting entities. This may further inform where opportunities exist for simplification.

<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 generally support providing greater access to digital data as it enhances comparability and efficiency. We agree that artificial intelligence can play an important role in easing the mark-up process over time, and in turn, structured data like XBRL provides very useful input to artificial intelligence for analysing disclosures and deriving insights. The standardisation enables data extraction, consumption, as well as consistency and accuracy that may be much harder to achieve with unstructured data.

<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 believe not knowing whether compliance would start in the current year versus the next year (i.e. 2026 vs 2027) until up to September 30 could potentially put undue pressure on Q4 to Q1 for completing preparation. As discussed under Question 2, implementations may not start in earnest until a clear compliance date and guidance materials become available. We recommend that the ESMA consider relaxing the deadline in the first year given the spike in workload in the initial phase.

In addition, the uncertainty in the timeline could lead to delays or capacity issues in the filing ecosystems, and filers could be looking at longer turnaround time and higher deadline pressure.

<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>

Similar to our feedback in Question 4, we believe that the removal of Level 1 Text Blocks should be optional.

Furthermore, the illustrated example provided in the consultation paper is very helpful in clarifying implementation expectations. We encourage the ESMA to provide further examples across different disclosures, inclusion of tables and layout styles, as well as examples of tables or detail disclosures that would not fall in scope of the mark-up requirements.

Additionally, it was proposed that fact-to-fact relationships should be utilized to create relationships between marked up tables and primary financial statements. Further clarification would be helpful if additional fact-to-fact relationships will be provided by ESMA.

<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 support the inclusion of detailed mark-up in the IFRS financial statements for the reasons given above.

<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>

We agree with this proposal.

<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>

We support the proposed list of mandatory elements, in particular the identification of the software services used. Furthermore, we would suggest allowing the identification of more than one auditor (for use in the case of joint audits) and identify financial and sustainability auditors. Finally, allow more than one vendor to be specified.

<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 encourage the ESMA to provide practical examples of “relevant and necessary information” for appropriate extensions to increase consistency.

<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>

Please see Question 7 above.

<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 part of the consultation paper, it was noted in the revised RTS Annex II, Section (b) Paragraph 7(d) that fact-to-fact relationships are to be digitally provided as part of Phase 3 of the sustainability digitisation. However, in Section 3.3.3.2 Paragraph 77(b) of the consultation paper, fact-to-fact relationships are only mentioned in Phase 1. Additional clarification on the requirement would be beneficial.

In addition, in conjunction with our review of the Taxonomy Set Prototype, we had the following observations:

* It appears that the IFRS taxonomy presentation did not come through properly in the taxonomy set prototype. For example, we note that the [800200] Analysis of income and expense presentation was not included even though the corresponding concepts are included. Since the taxonomy set would be used to support both sustainability and financial disclosures tagging, it is desirable to include all presentation linkroles to support the full taxonomy navigation.
* The taxonomy includes role [901000] which is defined twice but with different definitions: once in ESRS and again in Article 8 that appear to be meaningfully different.
* The Article 8 taxonomy has the presentation for [901000] defined but appears not to be imported anywhere.

<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>

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<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 do not have additional data to provide, however, we would like to note that some types of vendor provide functionality and benefits that extend significantly beyond the process of mark up. The cost of the mark up is frequently not separated from the overall purchase costs and neither is the resulting benefit. Cost-benefit studies (an example can be found here https://www.workiva.com/uk/forrester-tei-study) have indicated that the savings and benefits that result from digitising the entire reporting process significantly outweigh the costs of mark up.

<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>

Please see the answer to question 27.

<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>

We support the use of a phased-in approach but please see the comments above on question 4.

<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>

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<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>

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<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>