Public statement + Call for Evidence for the need to have XBRL mandatory in ESRS

- EFRAG wants to make machine readable sustainability reports mandatory
- Industry is making claims, AI models are able to replace machine readable data
- We are looking for researchers providing evidence or statements

Why?

Industry associations and data analytics providers have recently called into question the necessity for **having mandatory XBLR / Tagging (machinereadable data) in sustainability reports.** in the EU. They argue that AI pipelines can cover that job and that the costs for companies to make their reports machine readable would be too high.

Recent literature **on AI pipelines, including in the domain of sustainability reports, however, shows little empirical support for these arguments. Significant gaps that cannot be solved with current state-of-the-art models persist,** and attempting to solve those limitations would increase the already relatively high costs of such AI tools.

What's the problem?

Policy makers believe the **claims from industry that AI is going to obviate the need for mandatory machine-readable data.**

What we want

We believe that XBRL should be mandatory to provide high-quality data for civil society, academia, and other stakeholders at close to no cost in the data processing stage.

From our perspective as engineers and researchers, we want to emphasize that receiving machine-readable data is always preferable from an engineering perspective than building pipelines to parse PDFs and extraction of information with LLMs.

What we will do

We want to gather your expertise to draft **public statement representing the views of engineers and researchers from the industry** that underscores the advantage of machine readable data. We also plan a series of research papers with various institutions on the topics related to information extraction from company reports.

Questions and Evidence

How good do AI tools for sustainability report analysis work?
How expensive are AI tools for such tasks?
What are not yet to be overcome limitations?
How does that perform to parsing machine readable financial or non-financial disclosures?

Join us

Christian Wörle https://www.linkedin.com/in/christian-woerle-06617b10b/

Fill the form: https://forms.gle/XHsnuuM2VMQEiv2r6