

ESRS Set 1 revision: Questionnaire for public feedback

1.

Following a public call for contributions from EFRAG, this survey has been prepared by the EFRAG Secretariat to support the collection of written input that will inform the revision of ESRS Set 1.

The contributions will be anonymized and leveraged only in aggregate form, however name of contributors will be made available following your consent.

For viewing purposes, a pdf version of the questionnaire is available [here](#).

Questionnaire for public input on simplification of ESRS

EFRAG wishes to collect input from all the stakeholder categories on how to simplify ESRS, following the [Omnibus proposals](#) issued by the European Commission on 26 February 2025 and the [mandate](#) that EFRAG received on 27 March 2025.

SECTION 1 – PARTICIPANT GENERAL INFORMATION

1.1 Guidance for respondents

Where not specifically indicated, EFRAG welcomes input on question from all stakeholder categories.

Comments are most helpful when they:

- answer questions as stated;
- state the DR or paragraph(s) of ESRS Set 1 to which they relate;
- explained the cause of the identified issue; and
- describe practical example(s) relevant to the questions;
- include clear suggestions of amendments, if appropriate.

Please note the following elements for the compilation of the questionnaire:

Respondents can save the draft questionnaire and return to it at a later time. EFRAG will only consider submitted surveys.

Respondents can select and focus on the areas that are most impactful, thus do not have to consider all questions

For the questions requiring inclusion of a reference to IG3, and for consistency among the different replies, please indicate specific DPs that require consideration in your view by copy pasting the code defined in [IG3 – List of ESRS Data Points](#) (see column ID).

1.2 Respondent profile

Where not specifically indicated, questions refer to all stakeholder categories.

First Name:

Last Name:

Email address:

j

Telephone number:

Name of organisation:

Deloitte

Do you consent to make publicly available only the name of your organisation as contributor to this questionnaire, while the content of your contribution will be anonymized and leveraged only in aggregate form?

Yes

Type of organisation (Drop down menu with the following categories):

Auditor

User (subcategories to open):

Other (please specify)

Function in the organisation:

EU Corporate Reporting Policy Leader

Country (principal location):

-

Sector(s) (if applicable)

If preparer, please specify whether you prepared an ESRS sustainability statement for your 2024 year end:

If yes

Please specify whether it was a voluntary or mandatory application

Please indicate if the ESRS sustainability statement was assured (limited/reasonable)

Please add an hyperlink to the report [add box for including hyperlink)

If preparer, please specify your size in terms of employee number:

2. (untitled)

SECTION 2 – GENERAL ASSESSMENT (OPTIONAL)

As preparer/user/other stakeholder, could you share your overall assessment about the implementation challenges and benefits that you have experienced or observed?

We comment as provider of assurance & advisory services, directly involved in first-time adoption. We note many entities faced significant challenges when applying ESRS.

We identify key levers to simplify ESRS, while making the information provided more concise and decision-useful to users (see Part 5):

- clarifying in the standards whether ESRS is a 'fair presentation' or 'compliance' framework; and simplifying application of materiality
- significant reduction in burden can be achieved if ESRS 1, 2 and E1 and IFRS S1 and S2 use the same concepts and language as far as possible, recognising that the specific EU context and legal requirements will need to be reflected
- simplifying ESRS 2 and its interaction with topical standards
- simplifying ARs, removing 'May disclose' provisions and further considering transitional and ongoing reliefs
- increasing flexibility of presentation requirements
- referencing SASB Standards as guidance to support identification of entity-specific information

3. (untitled)

SECTION 3 – QUESTIONS

1. PART 1 – HOW TO IMPROVE THE MATERIALITY ASSESSMENT

The Materiality Assessment process is critical to establish the perimeter of the sustainability statement and pivotal to ensure that undertakings only report material information, that they do not report unnecessary information nor dedicate excessive resources to the materiality assessment process.

Initial feedback seems to suggest that required disclosures on the process may be too detailed and the outcome of the process may lead to disclose too many/too detailed IROs. The Omnibus proposals have identified this area as to be clarified.

1.1. From your perspective (preparer/user/others), please share your suggestions on how to improve the ESRS provisions on materiality indicating the most critical and the most useful elements, in relation to

How to improve the ESRS provisions on materiality, in relation to:

- the process to determine material matters, including how to factor implemented mitigation and prevention actions in the materiality assessment and how to define thresholds striking the right balance between completeness and decision-usefulness of information.

Please detail ESRS provisions on materiality improvements:

Clarify in the standards whether ESRS is a 'fair presentation' or 'compliance' reporting framework and consider making any changes necessary to include the relevant characteristics of such a framework

Currently, it is not explicitly stated in the standards whether ESRS is a 'fair presentation' or a 'compliance' framework. We believe it would be necessary to set out clearly the intended objective for the basis of preparation in the main body of the ESRSs, for example, in the objective of the standards as set out in ESRS 1:1-2 to ensure all stakeholders are clear of the requirements and the resulting responsibilities and expectations. The Commission states in Commission Notice C/2024/6792 that assurance providers 'are expected to perform procedures that enable them to conclude that no matter has come to their attention to cause them to believe that the information included in the sustainability statement is not fairly presented, in all material respects' in accordance with the ESRSs (and this FAQ was also referenced in the CEAOB guidance on limited assurance on sustainability reporting). However, the reporting entities themselves are currently not required under ESRS to prepare their disclosures on a 'fair presentation' basis. By way of comparison, the basis of preparation is clearly stated in financial reporting (IAS 1:17) and in IFRS sustainability reporting standards (IFRS S1:11-15). The latter require entities to provide a 'complete set of sustainability-related financial disclosures' that 'presents fairly' all sustainability-related risks and opportunities that could reasonably be expected to affect their prospects, and to make an explicit and unreserved statement of compliance with the standards. Fair presentation includes a 'stand back' assessment of whether the disclosed information would adequately explain the entity's IROs and include entity-specific information when a matter is not covered adequately by the standards but is material information in the context of the entity's facts and circumstances. While ESRS 1 includes a requirement to disclose entity-specific information, it does not specify, as an overarching principle, that fair presentation should be achieved. We think that whichever approach is adopted should inform the overall process to revise and simplify the ESRSs. For example, it should be possible to simplify the standards further under a fair presentation framework, including the application of materiality and related disclosure requirements (see below). Furthermore, specifying the relevant approach would lead to more clarity for all participants in the corporate reporting ecosystem.

Simplify application of materiality to enable more concise disclosure of decision-useful information about impacts, risks and opportunities (IROs)

We believe the application of materiality could be simplified by emphasising that the standards as a whole should be subject to the principle of disclosing material information (consistently with IFRS S1:B25). To help entities focus on the most decision-useful ('strategic') IROs, further guidance on aggregation of IROs for reporting and presentation would be helpful (while retaining the requirement that aggregation should not obscure information about other material IROs), in particular when IROs relate to multiple sustainability matters.

We recommend removing the following areas of complexity in the standards:

- a) some disclosures not being subject to materiality (such as ESRS 2 and IRO 1 disclosures in topical ESRSs)
- b) requiring 'layers' of consideration (e.g. the need for flowcharts, separate assessment of disclosure requirements and data points)
- c) requiring disclosure of why matters were not assessed as material (e.g. on climate change), the extensions to IRO 1 in topical standards as set out in ESRS 2 Appendix B, and other disclosures even if a matter is not assessed as material, e.g. in ESRS E4:17.

Furthermore, we observe from practice that the application of the concepts of 'material matters' and 'material IROs' together, and the inter-relationship between them, is not consistently understood by entities. We think this needs to be clarified, particularly in ESRS 1 section 3.2. Moreover, under a fair presentation framework, we think it should be possible to consider further simplification of the ESRSs, such as removing ESRS 1:31a) and the requirement to consider all matters set out in ESRS 1:AR16 (while retaining the table as guidance as it is a useful resource for entities). We also suggest further emphasis is made on the assessment of financial and impact materiality through entity-specific thresholds based on both quantitative and qualitative approaches. We think this should be supported by additional targeted guidance, including: to clarify if and when scoring is mandated for application of materiality (especially impact); the assessment of IROs on a pre/post mitigation basis; and guidance on approaches for conglomerates/groups. We believe these additions should be included as requirements in the ESRSs themselves (i.e. in the delegated act) to provide clarity, rather than through additional non-binding guidance.

How to improve the ESRS provisions on materiality, in relation to:

- the process to determine material information to be reported (information materiality, ESRS 1 – paragraph 31 and 34)

Please detail ESRS provisions on materiality improvements:

See above Q 1.1

How to improve the ESRS provisions on materiality, in relation to:

- the disclosures related to the process according to IRO-1

Please detail ESRS provisions on materiality improvements:

See above Q 1.1: We suggest that the extensions to IRO 1 in topical standards arising from ESRS 2 Appendix C, and disclosures if a matter is not assessed as material are removed.

How to improve the ESRS provisions on materiality, in relation to:

- the disclosures related to the outcome of the process (SBM 3)

Please detail ESRS provisions on materiality improvements:

See below Q 2.1 'Other' for the potential overlaps between Minimum Disclosure Requirements (MDRs) on Policies, Actions and Targets (PATs) and related simplification (including on ESRS 2 related disclosure requirements in topical standards).

How to improve the ESRS provisions on materiality, in relation to:

- the inclusion of material information based on entity-specific disclosures

Please detail ESRS provisions on materiality improvements:

We agree with the continuing importance of entity-specific disclosures when DRs in topical standards are not sufficient to meet the disclosure objectives. There is a risk that proposals to reduce the number of mandatory datapoints, while retaining the overarching concept of entity-specific disclosures, could prevent tangible burden reduction, as entities might be required nevertheless to report on those matters – as there is no additional threshold for entity-specific information.

We think that it could be clarified in ESRS 1:11 and 1:30(b) that entity-specific information should address material IROs, (which would also be consistent with achieving fair presentation). Simplifying the related ARs (ESRS 1:AR3-4) and connecting the 'entity-specific' concept to the consideration of the disclosure topics in the SASB Standards could help to support disclosure of material information.

How to improve the ESRS provisions on materiality, in relation to:

- the value chain

Please detail ESRS provisions on materiality improvements:

We think the standards should define 'own operations', which are used extensively in the ESRSs. We think this should be consistent with the definition of the reporting boundary for the entity.

How to improve the ESRS provisions on materiality, in relation to:

- the aggregation/disaggregation of information

Please detail ESRS provisions on materiality improvements:

See above Q 1.1: To help entities focus on the most relevant information in respect of material IROs, including on how they are overseen by those charged with governance, further guidance on aggregation of IROs for reporting and presentation would be helpful, in particular when IROs relate to multiple sustainability matters.

1.2. OPTIONAL: If possible, and if not specified already under point 1.1 above, please identify the narrative disclosure requirements (DRs) or datapoints (DPs) that raised the most critical challenges in determining the material information to be reported and share your suggestions.

Disclosure requirements (DR)

Datapoints (DP)

Comment on challenge:

Suggestion:

4. (untitled)

PART 2: HOW TO STREAMLINE NARRATIVE INFORMATION

Narrative information is a key part of sustainability reporting, in particular with respect to governance, strategy, business model, as well as policies, actions and targets (PATs). It is a key factor to meet the quality characteristics of relevance of information and fair presentation^[LS1] of the situation of the undertaking with respect to its sustainability matters. However, narrative information is difficult to compare. In determining the content of narrative information to be reported per disclosure requirements, ESRS combine a principles-based disclosure objective with a list of “shall” datapoints.

Initial feedback seems to suggest that the “shall disclose” datapoints in ESRS Set 1 may be too detailed and too prescriptive in that regard and that a proper balance between relevance/fair presentation, comparability and preparation effort has been difficult to achieve. The Omnibus proposals suggest to consider this point carefully for burden reduction purposes.

2.1. From your perspective (preparer/user/other), please share your suggestions on how to simplify narrative information, in relation to:

The options to reduce the number of “shall” datapoints (DPs):

Deleting datapoints that are not critical

Suggestions:

We agree that datapoints that typically do not lead to decision-useful information for users (e.g. non entity-specific boilerplate information) should be considered for removal. We think that the revised standards should focus on material information necessary to meet the overall objective of the ESRSs. One aspect that should be considered in this context is the alignment with other EU legislation and in particular the SFDR, depending on the outcome of the revision in Q4 2025 as part of the EC Work Program 2025. Those revisions could bring further opportunities to reassess datapoints for their decision-usefulness in the context of the ESRS objective.

The options to reduce the number of “shall” datapoints (DPs):

Transferring “shall” datapoints to non-mandatory material (“May”, guidance, illustrative examples)

Suggestions:

We agree that some 'shall' datapoints should be reconsidered (see below). However, we do not think that they should be transformed to 'may' datapoints as 'may disclose' provisions add to complexity and could be seen as de-facto mandatory. We think 'shall' datapoints should be removed if they are not likely to lead to decision-useful information. We further think non-mandatory content could be considered for future non-binding educational material (see below).

The options to reduce the number of “shall” datapoints (DPs):

Other – please specify.

Suggestions:

We suggest simplifying existing Application Requirements (ARs) by removing requirements that are not strictly needed to meet the disclosure objective or that add unnecessarily to complexity. 'Shall disclose' requirements in ARs that are not addressed in the main body of the standard should be moved to be main requirements (see also may/shall disclose proposal below) if they are still needed. Application Requirements, as retained, should only include mandatory guidance on how to apply the requirements that are set out in the main body of the standard and should be consistent with those requirements, i.e. not add any additional datapoints. We believe that retaining essential ARs as part of the delegated act is preferable to issuing additional non-binding guidance for the sake of providing clarity. Other non-mandatory content could be considered for future non-binding educational material (i.e. on content that helps preparers to build capacity to meet the disclosure requirements and apply the related guidance).

In addition, we believe that the 'May disclose' provisions add to complexity. We recommend they should be reviewed and removed as far as possible, especially if they have been included to 'raise the bar' in terms of aiming for a higher level of ambition beyond what is strictly needed for compliance. The inclusion of 'May disclose' provisions can cause interpretation issues if a 'May disclose' provision is actually material entity-specific information. If they are really necessary for achieving the disclosure requirements, we think they should be re-considered as 'shall' requirements. As an exception to this approach, and in limited cases, we think it would be appropriate to include 'May disclose' provisions in order to maintain interoperability if EFRAG planned to remove any 'shall disclose' provisions referring to datapoints as mandated by ISSB Standards (see below Q 4.2). This would allow entities seeking compliance with ESRS and ISSB Standards to keep their sustainability reports interoperable (e.g. in case of an EU subsidiary seeking to exempt itself where its non-EU parent issues a consolidated sustainability report in accordance with ISSB Standards in another jurisdiction).

Moving 'May disclose' provisions to ARs of itself does not simplify the standards (see also suggestions on ARs above) – they would be better considered for future educational material or introduction in future revisions of the ESRSs in light of observed practice. If 'May disclose' items have been included to illustrate disclosures, consideration should be given to whether they would be better redrafted as illustrative examples.

The potential overlaps between minimum disclosures requirements (MDRs) on Policies Actions and Targets (PATs) that are located in ESRS 2 and PAT “shall” datapoints located in topical standards:

Please select:

Simplifying MDRs on policies in ESRS 2

Comments

See comments under 'other' below.

Please select:

Simplifying MDRs on actions in ESRS 2

Comments

See comments under 'other' below.

Please select:

Simplifying MDRs on targets in ESRS 2

Comments

See comments under 'other' below.

Please select:

Merging MDR of ESRS 2 with “shall” PAT datapoints of topical standards

Comments

See comments under 'other' below.

Please select:

Transferring “shall” PAT datapoints in topical standards to non-mandatory material (“May”, guidance, illustrative examples)

Comments

See comments under 'other' below.

Please select:

Other – please specify

Comments

Many EU entities operating in jurisdictions that are mandating ISSB Standards will therefore need to apply both sets of standards in future years. Many non-EU entities operating in the EU will be required to apply ISSB Standards. Therefore, significant reduction in burden can be achieved if both ESRS 1 and ESRS 2 and IFRS S1 and S2 use the same concepts and language as far as possible, recognising that the specific EU context and legal requirements will need to be reflected. Using familiar concepts from financial reporting standards allows entities to leverage existing experience in application. Consistent with this, we think that interoperability could be further enhanced if the financial materiality definition set out in Table 2 of Annex II of the delegated regulation (EU) 2023/2772 for ESRS Set 1 is further aligned with the definition of material information in IFRS S1 and the related guidance in S1:B13-B28 is considered for incorporation.

We also recommend simplifying ESRS 2 general requirements and their interaction with topical standards, including disclosures on IROs and the minimum disclosure requirements (MDRs).

From our experience of working with entities, we think simplification of ESRS 2 is necessary in a number of areas, which touch on all of the options in the drop-down list above:

a) simplifying IRO 1 in conjunction with SBM-3 (as set out in the proposal on materiality above) and IRO 2 to emphasise disclosure about material IROs, and removing references to disclosures where matters are not assessed as material. To note: the extent of disclosure of data points derived from EU legislation (a table in accordance with Appendix B) could be simplified if other EU legislation is amended (see separate proposal below)

b) simplifying MDRs and related ARs to reduce granularity and focus on decision-useful information on material IROs, and avoid repetition in topical standards (while increasing flexibility of where the information may be disclosed – see separate proposal)

c) eliminating the need for Appendix C by removing the requirements, or adding them to the main body of ESRS 2 if possible rather than in topical standards unless the disclosure requirement is clearly specific to a topic.

If the proposals we have outlined on strengthening the objective of the ESRSs to disclose material IROs were implemented, together with simplifications to the application of materiality and with streamlined minimum requirements for core content about those IROs coupled with a reference to the SASB Standards, some topical standards could be considered as candidates for removal or merger with other topical standards. This could be considered, for example, for topical standards that are primarily based on qualitative DRs and where circumstances vary considerably according to industry activities (e.g. the IROs about affected communities (ESRS S3) differ for a hotel chain v. nuclear power plant, or, for consumers (ESRS S4), mis-selling of financial products v. health considerations (pharmaceuticals, food)).

See also Q4.2 below on interoperability.

Forward-looking information

On the other hand, please indicate the most critical and the most useful elements to be retained

2.2. OPTIONAL – If possible, and if not specified already under point 2.1 Please identify the most critical narrative disclosure requirements and/or datapoints that require clarification, and share your suggestions

Please organise your comments and suggestions according to the sequence of the standards (cross-cutting, E topical, S topical, G topical:

Disclosure requirements (DR)

Datapoints (DP)

Comment:

Suggestions:

2.3. OPTIONAL If possible, and if not specified already under point 2.1 above, please beyond the need for clarification, identify the 10 most challenging narrative disclosure requirements (DRs) with an indication of the least important or most problematic datapoints (DPs) to prepare and share your suggestions:

Please organise your comments and suggestions according to the sequence of the standards (cross-cutting, E topical, S topical, G topical:

Disclosure requirements (DR)

Datapoints (DP)

Comment on the challenge:

Suggestions:

PART 3: HOW TO IMPROVE QUANTITATIVE INFORMATION AND EU REGULATION RELATED INFORMATION

Quantitative information (metrics) is in principle comparable (over time and between undertakings). Initial feedback seems to suggest that some required metrics may be too granular and/or not decision useful or may be difficult to prepare (due to difficulty to collect basic data or lack of maturity of the matter).

Furthermore, EU Regulations related information (SFDR, Climate Law, Pillar 3, Benchmark) was included in ESRs Set 1 to facilitate the appropriate flows of information between the various actors, in order to create consistency in reporting. In this context, its relevance with respect to general purpose sustainability reporting was not assessed by EFRAG. Initial feedback seems to suggest that certain datapoints may not meet the criteria to be included in the general-purpose sustainability reporting.

In addition, with respect to Article 8 of the Environmental Taxonomy Regulation 2020/852, it was decided to offer a placeholder in the sustainability statement for the information required under this regulation. In this context, its relevance with respect to general purpose sustainability reporting was not assessed by EFRAG. Initial feedback seems to suggest that this information has increased significantly the volume of information reported in the sustainability statement.

3.1. Please identify the most challenging quantitative DRs/DPs and share your suggestion on how to address the issue, in terms of:

- The relevance (least important, critical)
- The difficulty to prepare
- The need for clarification

Please organise your comments and suggestions according to the sequence of the standards (cross-cutting, E topical, S topical, G topical):

Disclosure requirements (DR)

E1 – 6

Datapoints (DP)

Comment on the challenge:

Many EU entities operating in jurisdictions that are mandating ISSB Standards will need to apply both sets of standards in future years. Many non-EU entities operating in the EU will be required to apply ISSB Standards. Therefore, significant reduction in burden can be achieved if both ESRs E1 and IFRS S2 use the same concepts and language as far as possible, recognising that the specific EU context and legal requirements will need to be reflected - in particular metrics categories and direct referencing of the GHG Protocol without amendments or supplementation to it (see further comments on interoperability). EU-specific requirements (e.g. on ETS and energy consumption) would therefore still be retained under this proposal.

Global consistency and comparability of GHG emissions measurement and disclosure is of particular importance to users. We believe that pointing to the use of the GHG Protocol without amendments or supplementation to it should increase ease of application and interoperability (this approach is also used in IFRS S2). This would remove the confusion we observed created by the additive control approach in ESRs E1 mandating a 'financial + operational control' hybrid method by instead allowing application of the approaches set out in the GHG Protocol.

Pointing to the GHG Protocol could also help to align more clearly external reporting with the management approach used by the entity (for example, targets have often been set using the GHG Protocol. Therefore, reporting emissions using a different measurement approach might lead to the need to reconcile target-setting with reporting under ESRs E1).

Revised GHG Protocol content is expected to be issued in 2027 (with consultation in 2026). Therefore, changing or adding requirements on measurement of GHG emissions in ESRs E1 at this stage risks misalignment with the revised GHG Protocol. EFRAG should be encouraged to engage with the GHG Protocol Independent Standards Board through its observer status to ensure areas for enhancement are addressed as part of the revisions to the GHG Protocol, rather than attempt to address them in the ESRs.

When EFRAG finalises its transition plan guidance, we suggest that ISSB guidance on transition plans (expected June 2025) is considered and alignment is sought to the greatest extent possible in the EU context.

See also Q4.2 below on interoperability.

Suggestion:

See above in 'Comment on the challenge'.

3.2. Do you have suggestions regarding EU regulation related datapoints (DPs)?

Continued regulatory fragmentation is a significant contributing factor to the perceived reporting burden for entities. We observe that achieving further significant simplification to the ESRs is dependent on revisions to other EU regulations that require disclosure/reporting of the same or similar datapoints. We suggest that EFRAG could engage with the relevant EU bodies to help achieve a coherent approach overall. For example, the Sustainable Finance Disclosure Regulation (SFDR) does not currently have a similar materiality lens to CSRD/ESRSs. Moreover, we believe EFRAG could help to enable alignment with amended requirements under the EU Taxonomy Regulation.

While relevant for all entities in general, the connection to other EU legislation is particularly relevant for financial institutions (as we highlighted in our response to the EC on the proposals to simplify EU Taxonomy reporting).

3.3. Do you have suggestions regarding Article 8 of the Environmental Taxonomy Regulation 2020/852 related information and its inclusion in the sustainability statement under a placeholder approach?

We refer to our response to the EC on the proposals to simplify EU Taxonomy reporting. We note that ESRS disclosure requirements work independently from those of Article 8 Taxonomy Regulation, while connectivity e.g. in terms of reconciling specific items, for example on CapEx, provides useful information to users. As to whether the Taxonomy reporting should be included in the main body of the sustainability statement, we think this is dependent on the revised guidance that is issued by the Commission as a delegated act and the extent to which this includes a materiality concept as a general, over-arching principle, and simplified templates that lend themselves to concise reporting.

6. (untitled)

PART 4: HOW TO ADDRESS THE SIMPLIFICATION OF THE STANDARDS (STRUCTURE AND PRESENTATION) AND THE NEED FOR INTEROPERABILITY

Initial feedback seems to suggest that the current structure and presentation of reporting requirements in the standards may be difficult to understand and use and may have contributed to the inclusion of repetitive and duplicated content within the sustainability statement.

In addition, to avoid unnecessary regulatory fragmentation that could have negative consequences for undertakings operating globally, ESRS Set 1 has been drafted with the objective to contribute to the process of convergence of sustainability reporting standards at global level. The Omnibus proposals suggest to further enhance the already very high degree of interoperability with global sustainability reporting standards.

5.1. Please share your suggestions on how to improve and simplify the current structure and presentation of the standards, in relation to:**Please select:**

The relationship between cross-cutting and topical standards

Suggestions:

See above Q 2.1 'Other' for the potential overlaps between MDRs on PATs: ESRS 2 related disclosure requirements in topical standards should be reconsidered in order to facilitate more simplified reporting.

Please select:

The relationship between the main body of the standards and the application requirements

Suggestions:

See above Q 2.1 'Other' for the potential simplification of narrative information: Simplify Application Requirements (ARs), ensuring that necessary 'shall disclose' requirements are moved to the body of the standard and re-moving ARs that add unnecessary complexity or granularity. Retaining essential ARs as part of mandatory requirements is preferable to issuing additional non-binding guidance.

Please select:

Any other matter

Suggestions:

We think that ESRS 1 presentation requirements, including Appendix D and Appendix G, are highly compartmentalised and lead to reporting by matter for each topical standard, reducing the ability of entities to communicate their IROs in a way that best supports understandable information, and risk duplication of disclosures, even when an entity addresses IROs in an integrated way. IROs frequently cannot be categorised as solely 'E', 'S' or 'G', and trying to force disclosures into single-issue topics can diminish decision-usefulness and lead to duplication of content.

We therefore recommend that presentation requirements are simplified in order to enhance clear and concise communication of entity-specific IROs, better enable connected (linked) information and reduce duplication of disclosures. Greater flexibility is important for those entities that practise an integrated approach to reporting. Introducing more flexible presentation requirements for the sustainability statement could support better, connected disclosure of IROs. Entities with complex business models or that operate across multiple industry activities would benefit most from this additional flexibility. We believe it could be beneficial to consider how to facilitate greater integration into corporate reporting for those entities who practise integrated reporting, including simplifying cross-referencing, within the boundaries as set by the Accounting Directive.

In addition, consideration should be given to introducing further flexibility as to where MDRs may be disclosed and at what level of aggregation. This could help entities adopt a more connected approach and reduce duplicate disclosures.

5.2. Regarding interoperability, please:

If you are a preparer, indicate if you are reporting under another framework and which one:

If you are not reporting under another framework, indicate if you intend to do so and use which one:

Please share any suggestion you may have to enhance the already high level of interoperability of ESRS with other frameworks (ISSB, GRI, TCFD, TNFD, CDP). Please indicate DR/DPs if relevant.

See above for a) Q 2.1 'Other' for the potential overlaps between MDRs on PATs and for b) Q 3.1:

Many EU entities operating in jurisdictions that are mandating ISSB Standards will therefore need to apply both sets of standards in future years. Many non-EU entities operating in the EU will be required to apply ISSB Standards.

Therefore, significant reduction in burden can be achieved if:

- ESRS 1 and ESRS 2 and IFRS S1 use the same concepts and language as far as possible, recognising that the specific EU context and legal requirements will need to be reflected
- both ESRS E1 and IFRS S2 use the same concepts and language as far as possible, recognising that the specific EU context and legal requirements will need to be reflected - in particular metrics categories and direct referencing of the GHG Protocol without amendments or supplementation to it (see further comments on interoperability in Q 3.1). EU-specific requirements (e.g. on ETS and energy consumption) would therefore still be retained under this proposal. The sustainability disclosure topics in the SASB Standards (including forthcoming revisions) can be a useful reference point for entities when thinking about relevant matters (primarily on risks and opportunities). They can also help identify entity-specific information that may be material for disclosure.

Including a permanent reference to SASB Standards (currently included as a transitional provision at ESRS 1:131b) enhances interoperability with ISSB Standards. We would however not recommend making this a mandatory consideration for now, especially while the ISSB is taking revisions to SASB Standards through its due process.

Such an approach would be preferable to EFRAG developing guidance on sectors, even if voluntary, as this adds to complexity, and may not support simplification (for example, ESMA points entities to EFRAG guidance).

Interoperability would not be helped if disclosure requirements mandated in the ISSB Standards that are already included in ESRs were to be removed to achieve simplification. If EFRAG proposed to remove any of those disclosure requirements, we recommend that they should be retained as 'May disclose' provisions in ESRs (with a reference to clarify that if an entity intended to comply with both the ESRs and the ISSB Standards, it would need to apply those provisions). Retaining these as voluntary disclosures in the Delegated Acts, i.e. the binding legal text, would be fundamental not only for interoperability purposes, but also to support any equivalence arrangements the Commission may pursue with other jurisdictions in the future. (See also Q 2.1 above on 'May disclose'.)

If you are a user/other type of stakeholder.

Share your views on the importance and usefulness of interoperability from your perspective:

We think that interoperability between different sustainability reporting standards, and particularly between the ESRs and the ISSB Standards, is an essential consideration. We therefore welcome that the mandate extended to EFRAG by the Commission explicitly includes enhancing interoperability of the ESRs with global sustainability reporting standards. Users expect globally consistent and comparable information on material sustainability matters. The ISSB Standards have been designed to be adopted or used by jurisdictions to create a global baseline meeting the needs of capital markets (a subset of users identified in the ESRs). Business and capital markets are global, and entities have complex global value chains and customer bases. Consistent and comparable information is therefore essential to enable investment across borders into long-term, resilient business. Furthermore, many sustainability matters do not recognise jurisdictional borders, such as GHG emissions. Achieving a globally aligned approach for measurement and disclosure on these critical matters is therefore essential. Avoiding regulatory fragmentation, that leads to entities having to comply with multiple jurisdictional requirements, and reducing the need for duplicate preparation of disclosures, is itself a means to reduce the reporting burden.

As a general approach, we consider interoperability is best achieved by using the same language as far as possible, recognising that the specific jurisdictional context and legal requirements will need to be reflected (e.g. double materiality or reporting to broader stakeholders). This also reduces the potential for stakeholders to interpret the same requirements that are expressed through different words in different ways or to have to spend time and resources ascertaining whether the requirements are in fact different.

7. (untitled)

PART 6 – ANY OTHER COMMENT OR SUGGESTION

For instance, among others, in relation to format and presentation of the sustainability statement and its relationship with other parts of the management report, the communication of the company, the reporting boundaries, etc.

Due process

The current timeline for completing revisions and making recommendations to the Commission (31 October 2025) is very ambitious. When commenting on the proposals for ESRs Set 1, we highlighted the need to allow for sufficient time to develop high-quality standards, including a thorough due process that allows sufficient time both for comprehensive stakeholder feedback and for the standard setter to consider that input in full when reconsidering and finalising the proposed standards. While recognising EFRAG's achievements in developing 12 standards that are the basis of the issued ESRs Set 1, we consider the tight deadlines that led to pressure on due process inevitably may have affected the clarity and quality of the text, which in turn led to the need for extensive clarification and interpretation. We believe it is essential to ensure robust due process (in accordance with EFRAG's prescribed due process) in this revision period, without which we would have concerns that the quality of the outcome could be negatively affected. In particular, we believe that sufficient time needs to be allowed for stakeholder input through full public consultation and subsequent reconsideration (i.e. redeliberation) of the proposals in light of the stakeholder feedback, leading to high-quality revisions. We consider it will be difficult to achieve this fully in the available time.

Transitional relief

Transitional relief is an important tool to help entities 'on ramp' requirements. However, making more requirements subject to transitional relief may not achieve simplification – entities still have to prepare to disclose in future years. Therefore, consideration should be given first and foremost to the decision-usefulness of disclosure requirements and whether entities could achieve high-quality disclosure before further extending relief (for example, in ESRs S1). It might be better to simplify some requirements - or remove them altogether (subject to them not being required by other EU legislation – see separate point above) and consider introducing them again in a future revision to the standards in light of developments in practice.

Additionally, further consideration of 'permanent reliefs' would be helpful, for example, on 'reasonable efforts', drawing on EC FAQ 29.

Levers for simplification

We believe the following aspects could be key levers to simplify ESRs Set 1, while making the information provided under the reporting regime more decision-useful to users (see section 2 above):

1. Clarify in the standards whether ESRs is a 'fair presentation' or 'compliance' reporting framework and consider making any changes necessary to include the relevant characteristics of such a framework
2. Simplify application of materiality to enable more concise disclosure of decision-useful information about impacts, risks and opportunities (IROs)
3. Significant reduction in burden can be achieved if both ESRs 1 and ESRs 2 and IFRS S1 and S2 use the same concepts and language as far as possible, recognising that the specific EU context and legal requirements will need to be reflected
4. Simplify ESRs 2 general requirements and their interaction with topical standards, including disclosures on IROs and

the minimum disclosure requirements (MDRs)

5. Simplify Application Requirements (ARs), ensuring that necessary 'shall disclose' requirements are moved to the body of the standard and removing ARs that add unnecessary complexity or granularity. Retaining essential ARs as part of mandatory requirements is preferable to issuing additional non-binding guidance. Review and/or remove 'May disclose' provisions which add to complexity

6. Significant reduction in burden can be achieved if both ESRS E1 and IFRS S2 use the same concepts and language as far as possible, including on metrics categories and use of the GHG Protocol, recognising that the specific EU context and legal requirements will need to be reflected. In particular, the additive control approach mandated in E1 is leading to complexity and confusion. EU-specific requirements (e.g. on ETS) would still be retained under this proposal

7. Simplify presentation requirements by increasing flexibility of the structure of the sustainability statement in order to enhance clear and concise communication of IROs that reflect an entity's particular facts and circumstances, better enable connected (linked) information and reduce duplication of disclosures. Greater flexibility is important for those entities that practise an integrated approach to reporting

8. Retain and reposition the reference to SASB Standards as a non-mandatory source of guidance to support identification of relevant entity-specific information, rather than introduce EFRAG non-binding guidance on sectors, and consider adjusting the approach for identifying and disclosing entity-specific information by clearly highlighting decision usefulness and connecting the guidance more closely to SASB Standards

9. Transitional relief is an important tool to help entities 'on ramp' requirements. However, consideration should be given first and foremost to the decision-usefulness of requirements and practical application before further extending relief. It might be better to simplify or remove some requirements altogether and consider introducing them again in a future revision to the standards in light of developments in practice

10. Achieving significant simplification is dependent on revisions to other EU regulations that require disclosure of the same or similar datapoints

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms, and their related entities (collectively, the 'Deloitte organization'). DTTL (also referred to as 'Deloitte Global') and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

8. Thank You!

Thank you for taking our survey. Your response is very important to us.

You will receive a copy of your submitted questionnaire in your email.

The EFRAG Secretariat will anonymise contributions and leverage them only in aggregate form.