

**Statement on the need for additional simplification of the European Sustainability
Reporting Standards (ESRS)**

BusinessEurope, and the European Round Table for Industry welcome the European Commission's efforts to establish a simplified and effective sustainability reporting framework in Europe that is transparent, decision-useful, and supportive of companies' access to sustainable finance as a cornerstone of Europe's long-term competitiveness.

However, experience from the first year of implementation shows that the current ESRS framework remains **overly complex** and **resource-intensive** for many companies. The simplification proposed by EFRAG represents a step forward, but **it does not sufficiently address the operational challenges** faced by preparers.

We therefore **urge** the European Commission to use the current revision and simplification of the ESRS Delegated Acts as an **opportunity to go further** and build a transparent framework essential to ensure that companies can devote their resources to delivering real progress in the transition, rather than managing compliance complexity.

First, preparers continue to echo **serious** concerns regarding their own ability to fully comply with the revised ESRS in a manner that meets the framework's objectives. The call for additional simplification measures from preparers is not intended to dilute ambition, but contrarily, to enhance the framework's effectiveness, credibility, and practical operability. In particular, several elements of the current framework, including concepts such as *fair presentation* and the mandatory disclosure of *anticipated financial effects*, introduce substantial uncertainty and methodological challenges. These issues represent only two examples within a broader set of concerns identified by our associations which, **if not addressed, risk creating additional complexity and legal uncertainty** for companies and auditors, without improving the quality or decision-usefulness of sustainability disclosures¹.

Second, flexibility and trust in preparers must be central to the framework. Relief measures, phased implementation, and other simplification measures should be understood as mechanisms that enable high-quality reporting, not as temporary concessions. For these tools to function effectively, they must be available **without unnecessary conditions or time limitations**, allowing companies to focus on material and decision-useful disclosures rather than procedural compliance.

Third, the ESRS revision **should not** introduce new concepts, datapoints or ambiguous requirements that risk expanding reporting obligations rather than simplifying them. This creates significant legal and operational uncertainty for preparers. Such outcomes would

¹ For further details on our positions, see the papers published by [ERT](#), and [BusinessEurope](#).

undermine the objective of simplification by increasing compliance burdens without improving the quality or decision-usefulness of sustainability information.

We therefore strongly encourage the European Commission to use the ongoing ESRS revision as a **critical opportunity** to further strengthen a policymaking approach grounded in proportionality and trust in companies' capacity to deliver. Our companies are committed to providing high-quality sustainability information and should be empowered to do so within a framework that avoids unnecessary prescriptiveness or unfeasible demands.