Pills

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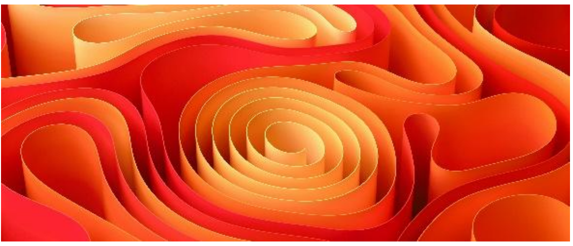

TOPICS:

ESG Risk

SOURCE:

European Commission

EC Adopts Revised Sustainability Reporting Standards

- The European Commission (EC) has adopted **revised European Sustainability Reporting Standards (ESRS)** as part of the Omnibus I simplification package, aiming to reduce reporting burdens while maintaining high-quality sustainability disclosures under the **Corporate Sustainability Reporting Directive (CSRD)**.
- The revised standards **simplify reporting** by reducing mandatory disclosure requirements, improving clarity, and increasing flexibility. They cut **mandatory data points by more than 60%** and o**verall data points by over 70%**, with the goal of reducing companies' reporting costs by **more than 30%**.
- The Commission also adopted a **voluntary sustainability reporting standard** for companies outside the CSRD's scope. This proportionate framework helps smaller businesses respond to ESG information requests while limiting the information that larger companies can require through a **value chain cap**.
- The revisions are based on **EFRAG's** technical advice and stakeholder feedback. The delegated acts will now be reviewed by the **European Parliament** and the **Council of the EU** before entering into force.
- Overall, the reforms seek to make the EU sustainability reporting framework **more proportionate and cost-effective** while preserving the quality, comparability and decision-usefulness of sustainability information for investors and other stakeholders.