



EFRAG's technical advice: the simplified ESRS



Presenters
December 2025

EFRAG delivered technical advice on 3 December

- On 26 February 2025, the European Commission published the first of several expected ‘Omnibus’ packages intended to simplify sustainability reporting requirements.
- The European Commission **requested** that EFRAG provide technical advice on the simplification of European Sustainability Reporting Standards (draft ESRS’) consistent with the areas targeted for change in the ‘Omnibus’ package.
- EFRAG delivered the **draft ESRS** to the European Commission on 3 December.

26 February 2025

- The European Commission published the first ‘Omnibus’ package

8 April

- EFRAG published an online questionnaire requesting input from stakeholders by May 6

31 July

- EFRAG published exposure drafts of the simplified ESRS

3 December

- EFRAG delivered the draft simplified ESRS to the European Commission

27 March

- The European Commission issued a letter to EFRAG requesting technical advice on the simplification of ESRS by 31 October

1 July

- The European Commission issued another letter to extend the deadline for the technical advice to 30 November

29 September

- Public consultation deadline on the exposure drafts of the simplified ESRS

Guidelines on EFRAG's technical advice

The European Commission's letter refers to the Omnibus' explanatory memorandum as a guide for EFRAG's technical advice



Substantially reduce the mandatory datapoints



Clarify provisions that are deemed unclear



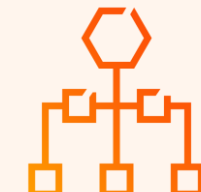
Improve consistency with other pieces of EU legislation



Improve instructions on how to apply double materiality



Simplify structure and presentation of the standards



Enhance interoperability with global reporting

Key simplifications implemented

EFRAG highlighted the following key simplifications in its [press release](#)

Usefulness of information as a general filter

“Usefulness of information as a general filter and emphasis on fair presentation for more relevant and less compliance-oriented reporting”

Principles-based standards for narrative disclosures

“Principles-based standards for narrative disclosure particularly for policies, actions and targets, flexibility on how to present the information, greater focus on how sustainability matters are managed”

Simplified materiality assessment

“Simplified materiality assessment: clearer guidance, reduced documentation, and better alignment with audit needs”

Easier to understand and implement

“ESRS are now shorter, clearer, easier to understand and to implement”

Reduced pressure for data collection in the value chain

“Elimination of the preference for direct data in the value chain, reducing the pressure for data collection”

Reduced datapoints required

“61% reduction of datapoints that are required if material, deletion of all voluntary disclosures”

New reliefs and expanded phase-in

“Substantial reliefs, proportionality mechanisms and ad hoc phasing-in for challenging disclosures”

Enhanced interoperability with the ISSB standards

“Enhanced interoperability with the ISSB Standards: common disclosures preserved where possible, enhancement thanks to fair presentation, revised GHG boundary and provisions for anticipated financial effects. As some reliefs in ESRS go beyond those in the ISSB Standards, companies should pay attention when using them if they wish to comply with the ISSB Standards”

First look at key simplifications—permanent reporting reliefs

The draft simplified ESRS contains a number of new reporting reliefs



Acquisitions and disposals

An entity is allowed to defer the inclusion of a newly acquired subsidiary or business from both its materiality assessment and sustainability statement to the next reporting period.

An entity may exclude a disposed subsidiary or business from the beginning of the period in which it is disposed.



Undue cost and effort

Introduction of the concept of using “all reasonable and supportable information that is available to the undertaking at the reporting date without undue cost or effort” to a number of requirements including an entity’s process to identify material IROs and to determine the scope of its value chain.



Calculation of metrics

An entity may:

- Omit information relating to specific activities from the calculation of a metric if the activity is not a significant driver of the IRO related to the metric
- Report only an objectively defined part of the scope of the reporting boundary for a particular metric if there is a lack of reliable data obtainable without undue cost and effort

First look at key simplifications—phase-in provisions for ‘wave one’ entities

The draft simplified ESRS contains a number expanded phase-in provisions for ‘wave one’ entities

Financial years the phase-in is applicable	ESRS disclosure requirements or datapoints permitted to be omitted
Years prior to 2027	All disclosure requirements of: ESRS E4 <i>Biodiversity and Ecosystems</i> , ESRS S2 <i>Workers in the Value chain</i> , ESRS S3 <i>Affected Communities</i> , ESRS S4 <i>Consumers and End-users</i>
Years prior to 2027	All information about anticipated financial effects except for certain anticipated financial effects disclosures in draft ESRS E1 related to an entity’s assets exposed to material physical or transition risk
Years prior to 2030	Quantitative information about anticipated financial effects except for certain anticipated financial effects disclosures in draft ESRS E1 related to an entity’s assets exposed to material physical or transition risk
Years prior to 2030	Quantitative information about substances of concern as required by ESRs E2-5
Years prior to 2027	<p>Selected disclosure requirements in ESRS S1 <i>Own workforce</i>:</p> <ul style="list-style-type: none">• Characteristics of non-employee workers (S1-6)• Collective bargaining coverage and social dialogue for non-EEA countries (S1-7)• Social protection (S1-10)• Persons with disabilities (S1-11)• Training and skills development (S1-12)• Selected datapoints on health and safety (S1-13 paragraphs 40(d) and (e))• Datapoints on health and safety for non-employees (S1-13)• Work-life balance (S1-14)

What's next?

The delegated act adopting the simplified ESRS is currently expected by the middle of 2026.



Review by the European Commission

The European Commission will review EFRAG's technical advice submission and may update the standards before adopting the simplified ESRS as a delegated act. The delegated act will establish the effective date for the simplified ESRS.



Trilogue negotiations of the 'content' proposal

Trilogue negotiations of the 'content' proposal, included in Omnibus I, to amend the CSRD began on 18 November 2025. A political agreement, which must take place before the adoption of the delegated act of the simplified ESRS, is expected in Q4 2025.



Adoption of the delegated act

The final text of the 'content' proposal will be voted by the European Parliament and the Council of Europe before it is published in the Official Journal, which is expected in Q1 2026. Therefore, the delegated act of the Amended ESRS is currently expected to be completed in mid-2026.

Thank you