

Press Release

Brussels, Belgium – 10th July 2023

EuropeanIssuers welcomes the flexibility given in the European Commission's draft ESRS Delegated Act whilst calls for further Clarity, Simplicity, and Alignment.

On Friday, 06th July 2023, EuropeanIssuers welcomed the opportunity to comment on the Draft Delegated Act on the European Sustainability Reporting Standards (ESRS). As companies across Europe are actively engaged in the transition to a greener finance, EuropeanIssuers supports the standardization of sustainability reporting in the EU. While approving the Draft Standards, EuropeanIssuers wishes to share the concerns and perspectives of listed companies regarding operational realities.

EuropeanIssuers' Secretary General, Florence Bindelle, commented: *"We are really pleased of the outcome of this Delegated Act as there have been important changes compared to the draft ESRS. It emphasizes the significance of materiality assessment as a fundamental aspect of companies' reporting process and acknowledges the voluntary approach taken by some organizations in disclosing specific data points. Nonetheless, the European Commission needs to maintain flexibility, ensuring coherence with the EU legal framework, while keeping materiality at the heart of the sustainability process."*

EuropeanIssuers appreciates the European Commission's efforts to simplify reporting requirements and strengthen the materiality principle in sustainability reporting. This approach will help reducing burdens and ensuring the focus on relevant information. However, EuropeanIssuers' response reflects the need for **clear guidance** from the European Commission to both aggregate locally specific matters and to navigate the double materiality assessment process.

To enhance **alignment and clarity** on the standards, EuropeanIssuers encourages the European Commission to adopt consistent and stable standards within the ESRS framework, alongside a process of harmonization of the ESRS with existing requirements, such as the Sustainable Finance Disclosure Regulation (SFDR). Such process will ensure consistency and enable the community to fulfil their reporting obligations. **Consistency** will reduce reporting burdens and improve interoperability, benefiting both companies and investors. Hence, the reason behind EuropeanIssuers' urge to adopt an internationally valid agreement on the definition of financial materiality. We believe that adopting a common financial materiality test or incorporating an "investor materiality" component would promote clarity and align reporting requirements.

EuropeanIssuers appreciates the phase-in period for disclosing the financial impact of climate change risks and other environmental topics. However, the absence of commonly used indicators at the international level makes it difficult to compare reporting entities. We urge the European Commission to develop a **common methodology** for assessing the financial effects of environmental issues. Such a methodology would facilitate meaningful comparisons and allow companies to prepare in advance.

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EU Transparency No : 20935778703-23

Regarding the specific Environmental, Social, and Governance (ESG) standards, EuropeanIssuers has provided detailed comments on the specific data points.

In conclusion, EuropeanIssuers remains committed to representing the issuers' community and actively contributing to the enhancement of the sustainability reporting framework.

To view EuropeanIssuers' response, please click [here](#)

To view this press release online, please click [here](#)

NOTES TO EDITORS

About EuropeanIssuers

EuropeanIssuers is a pan-European organisation representing the interests of publicly quoted companies across Europe to the EU institutions. Our members include both national associations and companies from all sectors in 15 European countries, covering markets worth €7.6 trillion market capitalisation with approximately 8,000 companies. We aim to ensure that EU policy creates an environment in which companies of all sizes—from emerging growth companies to the large blue-chip companies—can easily raise capital through the public markets and deliver growth over the longer term. Published in 2019, [EuropeanIssuers Vision](#) presents key priorities and policy recommendations in a number of areas to support the EU policy makers during their mandate. More information on our positions can be found at www.europeanissuers.eu or on EuropeanIssuers [LinkedIn](#) and [Twitter](#) page.

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