

EuropeanIssuers' Opinion on EFRAG's Technical Advice on the Revised European Sustainability Reporting Standards (ESRS)

March 2026

Introductory remarks

The revision of the European Sustainability Reporting Standards (ESRS) marks an important moment for reassessing how sustainability reporting operates in practice. The first year of CSRD implementation has confirmed that, while the objectives of sustainability transparency are widely supported, **the current reporting framework places a disproportionate burden on European companies.**

EuropeanIssuers' 2024 [survey](#) of 144 listed companies highlighted the scale of these challenges, notably in the areas of Double Materiality Assessments, Value Chain reporting, and the assurance of sustainability information. These **difficulties were compounded by uneven national transposition and the absence of a harmonised EU assurance standard**, resulting in inconsistent reporting outcomes and growing administrative and financial costs.

In this context, the revision of the ESRS was expected to deliver a decisive simplification. While **EFRAG's efforts to streamline the standards are acknowledged, the projected outcome falls short.** As highlighted in EFRAG's cost-benefit analysis on the revised ESRS, a reduction of nearly 70% in datapoints translates into **an estimated average workload reduction of only around 40%.** **EuropeanIssuers considers this level of relief is insufficient** given the magnitude of the initial burden and risks entrenching a reporting system that remains overly complex and resource-intensive.

At the same time, **the ESRS revision process has highlighted shortcomings in EFRAG's governance** that raise **concerns about the robustness and transparency of the standard-setting process.** We underscore the need to reconsider and improve EFRAG's internal workings to **strengthen due process and enhance the quality of standards.** Strengthening preparer representation and reviewing the internal structures are essential steps to ensure transparent, accountable and practical standard-setting.

If sustainability reporting is to function as a strategic management and transition tool, **the revised ESRS must go further.** The amendments identified below and in the Annex, together with a reform of EFRAG's governance, are necessary to deliver genuine simplification focused on **providing decision-useful information only**, enabling companies to direct resources toward the transition rather than toward compliance management. These changes must uphold core principles: **trust preparers, auditors and supervisors to duly implement the standards in a fair manner** by avoiding prescriptive requirements, refrain from introducing new reporting obligations, and ensure that applying the ESRS remains a transparency framework and not seek to mandate behaviour.



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Overarching Issues

1. EuropeanIssuers considers the current wording of the revised ESRS on **fair presentation not to be acceptable or suitable for implementation**.

Given the lower maturity of sustainability reporting compared to financial reporting and the complexity introduced by double materiality and a multi-stakeholder perspective, the concept **lacks clear boundaries** and creates a significant grey area for companies and auditors alike. **Divergent interpretations** across different Member States are likely to emerge, and **without a common understanding of how fair presentation should be implemented**, comparability would be undermined and the unintended consequences could be substantial. This **uncertainty** would materially increase liability risks for Board members and auditors, **adding burden and complexity** contrary to the objective of simplification.

We therefore propose:

Preferred solution: **Temporarily removing the requirement** and, over time, **aligning the ESRS as closely as possible with the ISSB** interpretation under IFRS S1 and S2, with a view to **reintroducing fair presentation in the four-year revision** once the market has had time to build experience and consistency.

Or:



Alternative solution: Limit fair presentation’s application strictly to decision-useful information¹ for primary users². This approach would simplify the concept and also provide stronger alignment with the ISSB standards (IFRS S1 and IFRS S2), which remains a separate objective of the Omnibus package.

To implement the alternative solution, we propose the following amendments:

- **ESRS 1, Paragraph 3**
- **ESRS 1, Paragraphs 19, 20 and 23**
- **ESRS 1, Paragraph 23, point a) and b)**

<i>Text proposed by EFRAG</i>	<i>Amendment</i>
3. The objective of the sustainability statement, taken as whole, is to present fairly (see Chapter 2) all the undertaking’s sustainability-related material impacts, risks and opportunities and how the undertaking manages them. The reported information shall be decision-useful for the users of general purpose sustainability statements.	3. The objective of the sustainability statement, taken as whole, is to present fairly (see Chapter 2) all the undertaking’s sustainability-related material impacts, risks and opportunities and how the undertaking manages them. The reported information shall be decision useful for the primary users of general purpose sustainability statements referred in para.4 (a)
19. new) Fair presentation requires disclosure of relevant information about the undertaking’s material impacts, risks and opportunities in accordance with Chapter 3 and their faithful representation in accordance with the requirements set out in this Standard (for relevance and faithful representation see Appendix B). To achieve faithful representation, the undertaking shall provide a complete, neutral and accurate depiction of its material impacts, risks and opportunities.	19. Fair presentation requires the undertaking to provide a complete, neutral and accurate depiction of its disclosure of relevant information about the undertaking’s material impacts, risks and opportunities identified in accordance with paragraph 23 and their faithful representation in accordance with the requirements set out in this Standard (for relevance and faithful representation see Appendix B).

¹ For the purposes of this point, “*decision-useful information*” is understood in line with the definition used in IFRS Standards, namely information that is useful to primary users in making decisions relating to providing resources to the entity. Such decisions include: (a) buying, selling or holding equity and debt instruments; (b) providing or settling loans and other forms of credit; or (c) exercising voting rights or otherwise influencing management’s actions affecting the entity’s economic resources.

² For the purposes of this point, “*primary users*” refers to the definition in ESRS 1 para. 4, namely existing and potential investors, lenders and other creditors, including asset managers, credit institutions and insurance undertakings.



<p>20. (new) Fair presentation also requires that the undertaking discloses:</p> <p>(a) information that is comparable, verifiable and understandable (see Appendix B); and</p> <p>(b) entity-specific information when applying ESRS is not sufficient to enable users to understand the undertaking’s material impacts, risks and opportunities and how the undertaking manages them (see paragraph 3).</p>	<p>20.Fair presentation also requires that the undertaking discloses:</p> <p>(a) information that is comparable, verifiable and understandable (see Appendix B); and</p> <p>(b) entity-specific information when applying ESRS is not sufficient to enable primary users identified in paragraph 23 to understand the undertaking’s material impacts, risks and opportunities and how the undertaking manages them (see paragraph 3).</p>
<p>23. (new) Information is material when omitting, misstating or obscuring that information could reasonably be expected to influence:</p> <p>(a) decisions that primary users of general-purpose financial reports make based on those reports, including financial statements and the sustainability statement, relating to providing resources to the undertaking; or</p> <p>(b) decisions, including informed assessments, that other users of 'general-purpose' sustainability statements make based on the sustainability statement regarding the undertaking’s material impacts, risks and opportunities and how the undertaking manages them.</p>	<p>23. (new) Information is material when omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general-purpose financial reports make based on those reports, including financial statements and the sustainability statement.</p>

2. EuropeanIssuers **strongly opposes the mandatory disclosure of anticipated financial effects.**

Such disclosures require companies to provide **highly uncertain forward-looking information**, potentially revealing both strategically and commercially sensitive data and exposing companies to competitive disadvantages and liability risks. Although AFEs are generally required for all sustainability related disclosures under IFRS S1, in practice, this currently only amounts to AFE reporting on climate under the ISSB standards, since no other ISSB sustainability standards exist beyond the climate standard. Extending this requirement to all environmental topics under the ESRS is neither justified nor practicable for the moment. Therefore, these aspects coupled with the lack of sufficiently mature methodologies, the risk of misinterpretation by users, auditors and supervisors is significant.



We therefore propose:

Preferred solution: EuropeanIssuers advocates for **mandatory disclosure** of all anticipated financial effects to be **removed** from the ESRS, and made voluntary, allowing companies to report anticipated financial effects at their discretion.

Or:

Alternative solution: Temporarily removing the requirement and, over time, aligning the ESRS as closely as possible with the ISSB interpretation under IFRS S1 and S2, with a view to reintroducing anticipated financial effects in the four-year revision once the market has had time to build experience and consistency.

Without a common and workable definition and methodology, divergent interpretations are likely to emerge, undermining comparability and creating significant implementation challenges. We therefore encourage EFRAG and the ISSB to jointly develop a uniform and practicable solution, with strong involvement from preparers to ensure feasibility, proportionality and decision-usefulness.

Both solutions are acceptable, but the delay until 2030 for quantitative disclosures seemed already relevant to some issuers.

3. EuropeanIssuers calls for the **practical implementation of reliefs.**

EuropeanIssuers reiterates that the use of reliefs, in particular the “undue cost and effort” exemption, must be a practical tool for preparers, not a temporary measure subject to continuous challenge. While the concept is well established in financial reporting, its current framing in the ESRS risks creating a highly subjective environment and opening the door to disproportionate auditor interference. The revised ESRS should therefore clearly confirm that companies may apply these reliefs without having to provide extensive justifications, detailed explanations, or future “improvement plans,” as suggested in ESRS 1 (para. 96), ESRS 2 (para. 31a) and the Basis for Conclusions (para. 190). Transparency should be ensured through a simple disclosure that a relief has been used, rather than through burdensome narrative requirements. Ultimately, **determining the applicability of a relief must remain the responsibility of the company**, and the framework should prevent the use of such exemptions from becoming an additional administrative burden.

4. EuropeanIssuers **objects to the introduction of new concepts and datapoints.**

EuropeanIssuers urges policymakers to **refrain from adding new requirements**, as this contradicts the European Commission’s mandate for simplification.



For instance, we propose **deleting** the concept of ‘**informed assessment**’ (ESRS 1, para. 23b). This concept is new compared to Set 1, and as noted above undermines the clarity of the fair presentation principle. We note that the purpose of para. 23 is to define the materiality of information. **A very broad interpretation of ‘informed assessment’ as ‘any information deemed necessary by general users’ would render the materiality filter de facto inapplicable for companies**, given its own definition. As the concept of materiality of information is one of the key levers of the simplification project, it is crucial for us that its definition be sufficiently precise and free of any ambiguity.

Along these lines, **the level of detail regarding geographies (ESRS 1 para. 33 and AR 15)** introduces a new requirement compared to Set 1, namely to take into account geographical specificities and cite the LEAP method for assessing the materiality of certain environmental issues. This may lead to a requirement to list geographies/impacts by site in material topics, as requested in ESRS E4 Biodiversity. **The introduction of new reporting requirements contradicts the simplification mandate, and EuropeanIssuers therefore propose that this element be removed.**

Finally, we note that the revised **disaggregation requirements** (ESRS 1 para. 53, ESRS 1 para. 56 third sentence, AR 31, and ESRS E1/AR 25) significantly **increase reporting granularity and risk information overload**. By requiring disclosure of disaggregated information in case of “significant variations”, nearly all undertakings with multi-country operations would face a proliferation of sub-topics, including data that may not be material at the consolidated level. This goes well beyond Set 1 requirements and could make top-down materiality assessments (ESRS 1 para. 27) effectively void. The same applies to disaggregated CO₂ reporting under ESRS E1 (AR 25, paras. 28–29). Hence, to prevent excessive and duplicative reporting, these **disaggregation provisions should be removed**, and reporting should remain focused on material information at the group level.

5. EuropeanIssuers also highlights the need to **avoid over-reporting**.

With the simplified ESRS it remains unclear as to which extent prevention, mitigation and remediation shall be considered. Particularly, ESRS 1, para. 44(c) requires information about impacts irrespective of how the undertaking manages them. This creates a significant risk of over-reporting on topics that are not even material to the respective undertaking, because it has already implemented effective actions or policies, which it cannot account for. This sets wrong incentives, as undertakings will be penalised by reporting about topics they have effectively mitigated, which clearly obscures material information. Therefore, we propose the following amendments:

- **ESRS 1, Paragraph 44**
- **ESRS 1, AR 24 for Paragraph 44 a)**
- **ESRS 1, AR 25 for Paragraph 44 b)**



- ESRS 1, AR 26 for Paragraph 44 c)

<i>Text proposed by EFRAG</i>	<i>Amendment</i>
<p>44. The following applies in determining how to consider prevention, mitigation and remediation policies and actions in the materiality assessment:</p> <p>(a) <i>the severity of actual negative impacts – those that manifest during the reporting year - shall be assessed as they actually manifested during the reporting year. Actual impacts include those that have originated in the previous reporting periods and continue to exist in the current reporting period. Their severity is assessed based on the current reporting period, i.e. taking into account. how they were mitigated in the previous periods. Remediation of impacts realised during the reporting period shall not be considered;</i></p> <p>(b) <i>the severity and likelihood of potential negative impacts – those that may manifest in the future - shall be assessed taking into account only implemented prevention and mitigation policies and actions if those policies and actions can reasonably be assumed to effectively reduce the severity or likelihood. Actions or policies that have not yet been implemented shall not be considered; and</i></p> <p>(c) <i>the information about impacts and how the undertaking manages them through policies and actions may be decision-useful to users, irrespective of how effectively the undertaking manages them or irrespective of how effectively the corresponding topics are regulated. In these cases, the materiality assessment needs to take this into account.</i></p>	<p>44. The following applies in determining how to consider policies and actions in the materiality assessment:</p> <p>(a) <i>When assessing the materiality of impacts, risks, and opportunities, the undertaking shall exercise judgement on whether to consider the effect of existing policies and actions. Policies and actions that have not yet been implemented and are not effective shall not be considered in the materiality assessment.</i></p> <p>(b) <i>Irrespective of 44(a), in considering whether to disclose information about impacts, risks, and opportunities and corresponding policies or actions, the undertaking is required to consider whether omitting, misstating or obscuring information about the impacts, risks, and opportunities and its policies or actions could reasonably be expected to influence the decision of users, mainly primary users of general-purpose financial reports to understand the undertaking's impacts, risks, and opportunities.</i></p>
<p><i>AR 24 for para. 44(a) (new) As an illustration, for the consideration of implemented policies</i></p>	<p><i>Deleted</i></p>



<p><i>and actions in the materiality assessment in relation to paragraph 44(a), when an oil spill occurs, the effort to contain the spill is considered as mitigation, while the repair of the damage or harm that was caused by the spill is considered as remediation.</i></p>	
<p><i>AR 25 for para. 44(b) (new) If a policy implies future actions to ensure that it is effective in reducing severity or likelihood, the existence of that policy and of the related future actions shall not be considered in assessing the materiality of impacts.</i></p>	Deleted
<p><i>AR 26 for para. 44(c) In the cases described in paragraph 44(c), the undertaking shall adapt its approach to the materiality assessment as appropriate to meet the information needs of users, as described in paragraph 23.</i></p>	Deleted



Annex

Technical Comments on Topical Standards

In addition, EuropeanIssuers has collected the following feedback, from within its membership, regarding outstanding issues with the topical standards:

I. Environment

ESRS E1 on climate change

- Verification and **compatibility with the 1.5°C target**:

EuropeanIssuers and its members continue to support the objectives of the Paris Agreement on Climate, whose targets are fully integrated in the European Climate Law Regulation (EU 2021/1119).

Companies however recall that the Paris Agreement sets the following objectives **for Parties (States, not companies)** respectively in its Articles 2 and 4 (see extracts below):

- *“This Agreement, in enhancing the implementation of the Convention, including its objective, aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by: (a) Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognising that this would significantly reduce the risks and impacts of climate change;”*
- *“Parties aim to reach global peaking of greenhouse gas emissions as soon as possible, recognising that peaking will take longer for developing country Parties, and to undertake rapid reductions thereafter in accordance with best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century,”*

Companies remind that there is **no officially recognised methodology to assess the compatibility of an objective set at company level** with a specific level of temperature, although many private initiatives are working on this concept.

Therefore, EuropeanIssuers suggests **removing the requirement to disclose “how” and “whether” the company's targets are compatible with the 1.5°C target** (E1-1 para. 11 and AR 2; E1-6 para. 23 (c)) While the introduction of optional verification is positive, maintaining a requirement to specify “how” and “whether” a company's targets are compatible with the 1.5°C target of the Paris Agreement is **unworkable**.



- **Scope 3 emissions:**

EuropeanIssuers **welcomes the introduction of reliefs and** we encourage them to be confirmed clearly and unambiguously in the delegated act.

In line with this, **we support the ‘undue cost and effort’ relief and advocate for its extension to Scope 3 reporting under E1-8.** The inclusion of such reliefs is an important step towards ensuring practical feasibility, and we encourage that this flexibility be confirmed clearly and unambiguously in the delegated act.

Based on feedback from preparers, assessing Scope 3 emissions at reasonable cost remains particularly challenging, as mentioned in Annex H of ISO 14064-1. It is therefore requested that **the relief provided for in para. 92 of ESRS 1**, which in the current simplified version cannot be applied to the measurement of greenhouse gas emissions in section E1-8, **also be used for the assessment of Scope 3 emissions.**

- **Anticipated financial effects:**

As mentioned above, EuropeanIssuers strongly opposes the mandatory disclosure of anticipated financial effects, hence, we suggest **removing the requirement to disclose information on anticipated financial effects (E1-11) and include anticipated financial effects in the scope of permitted omissions under Wave 1** (ESRS 1 para. 125 b) and c). Alternatively, we suggest removing the requirements temporarily and re-inserting them during the four-year revision.

ESRS E2 on pollution

- **Substances of concern (SoC):**

EuropeanIssuers proposes **extending the removal of the declaration on SoC to companies in the chemical sector** (E2-5 para. 17 and AR 5)

The declaration on substances of concern (SoC) should be removed, as there is no consistent definition of these substances at EU level. In fact, there is no single reference list, but different concepts in different texts (REACH Regulation, Regulation on Classification, Labelling, and Packaging of Substances and Mixtures (CLP), Ecodesign Regulation (ESPR), CSRD, and EU taxonomy).

- **Substances of Very High Concern (SVHC):**

EuropeanIssuers supports the **deletion of information relating to the mass of substances of very high concern (SVHC)** (E2-5 para.17 and para.18).

The concept of risk, which is the only relevant one, is defined by a combination of the concepts of hazard, exposure to the hazard, and probability of occurrence. Thus, it is of little value to focus solely on the hazard factor, given that companies do not have access to values associated with exposure to the hazard and the probability of occurrence. Furthermore, the hazard factor is not defined by mass but by concentration (see information already required for SVHCs in para. 19 of E2-5). Therefore, it is important to remove the requirements of para. 17 and para. 18 of E2-5 for SVHCs.



Alternatively, we propose the relief provided in para.125 of ESRS 1 for para.17 of E2-5 to be **extended** to para.18 of E2-5.

- **Secondary microplastics:**

As already supported in our response to EFRAG's consultation, we strongly suggest **removing the obligation to publish information on secondary microplastics** (E2-4 para.15b and AR 4).

The assessment, even in qualitative form, of the release of secondary microplastics, which remain not clearly defined, over the entire life cycle of products is very burdensome and uncertain for companies to carry out given the lack of data.

- **Water Pollutants:**

The current ESRS wording requires companies to separately disclose the volumes of pollutants and water transferred to external treatment plants (AR3) and removes the previous Set 1 limitation that disclosure is only required where pollutant amounts exceed the thresholds set out in Annex II of Regulation (EC) No 166/2006. This creates a **disproportionate burden**, as isolating within overall water discharges the portion sent to external treatment plants requires significant system adaptations and data tracking efforts.

In addition, **removing the threshold-based limitation** would expand reporting obligations to sites with negligible emissions, **leading to** the collection and publication of **information that is unlikely to be meaningful or decision-useful**.

We therefore propose **maintaining the threshold approach under para. 29** to ensure a risk-based and proportionate focus, and **making the separate disclosure of volumes** transferred to external treatment plants (AR3) **voluntary**, to be included instead in the Non-Mandatory Implementation Guidelines (NMIG).

ESRS E4 on biodiversity and ecosystems

- **Transition plans for ecosystems and biodiversity:**

EuropeanIssuers supports the **exclusion at this stage of the mandatory publication of the transition plan for ecosystems and biodiversity from the sustainability report** (E4-1 para.10 and AR 1 and 2).

The concept of a transition plan for ecosystems and biodiversity has not yet been sufficiently defined. As a result, many companies currently disclose objectives and actions aimed at improving their impact on biodiversity which, prior to clarification under the ESRS, may have been described as, or interpreted by third parties as, a transition plan for ecosystems and biodiversity. It is therefore essential to clarify that such disclosures do not create an obligation to publish a transition plan within the sustainability report, in order to avoid discouraging voluntary initiatives and to allow for gradual progress on this complex issue.



If the data point is retained, the **ESRS should specify that only the company itself may designate its disclosures** as a biodiversity and ecosystem transition plan to transform its business model, and that publications made prior to the entry into force of the ESRS delegated act are not affected.

Finally, where companies already voluntarily obtain external verification of biodiversity related objectives and actions disclosed outside the sustainability report, **hence, no additional verification by statutory auditors should be required.**

ESRS E5 on resource use and the circular economy

- Critical and strategic raw materials:

EuropeanIssuers urges the **removal of the requirement to disclose information on the use of critical and strategic raw materials** (E5-4 para.13a).

Such information does not fall within the scope of corporate environmental sustainability issues. It actually relates to general corporate strategy and supply security issues within the framework of their value chains. It also appears risky for a company to disclose such data publicly. These requirements should therefore be removed.

II. Social

- **S1-5 New threshold for reporting metrics disaggregated at country level:**

The revised ESRS changed the reporting requirement from "*50 employees and 10% of total headcount*" to the "*top 10 largest countries by employee headcount (if >50 employees)*". This change adds additional complexity, as it would oblige preparers to report on very small groups of employees across numerous jurisdictions, creating substantial additional burden for preparers, ultimately increasing both the reporting requirements and the audit scope.

EuropeanIssuers proposes **to delete the requirement**, considering the additional burden this disclosure would require for preparers.

- **S1-9 reference to ILO:**

The revised ESRS introduce a requirement for companies to confirm that wages meet country-specific benchmarks, linking non-EU adequacy to ILO living wage principles or official living wage estimates. In practice, this would require multinationals to verify numerous benchmarks and perform or commission calculations in countries without statutory minima, **creating substantial effort and audit uncertainty without improving comparability or decision-usefulness.**

EuropeanIssuers therefore recommends **limiting reporting to the existing "adequate wage"** concept (statutory minimums or collective agreements) **and clarifying that country-level context can be met**



by disclosing the benchmark used and the percentage of employees below it, without mandatory alignment to ILO principles or recalculation of living wages.

- **S-15 Gender Pay Gap:**

The revised ESRS introduce a mandatory disclosure of the unadjusted gender pay gap, which reflects overall workforce composition effects rather than pay differences for equal work or work of equal value. As such, the unadjusted pay gap does not provide a meaningful indicator of compliance with the principle of equal pay and limits the decision-usefulness and comparability of disclosures. By contrast, the adjusted gender pay gap isolates pay differences that cannot be explained by objective, job-related factors and is therefore the only metric that directly measures pay equality.

EuropeanIssuers therefore recommends **prioritising the adjusted gender pay gap as the primary disclosure under S-15** and **removing the mandatory requirement to disclose the unadjusted pay gap**. In addition, companies should be permitted to report either the mean or the median adjusted pay gap, as these statistical measures serve different analytical purposes, while also considering the overlap of information requested by other EU Directives, such as the Pay Transparency Directive.

- **S1-16 Human Rights incidents:**

EuropeanIssuers argues that the disclosure of discrimination and other human rights incidents are too broad and must be **limited to proven incidents**, i.e., those that have resulted in a final court decision. Therefore, we call for the **removal** of all other disclosure requirements such as reference to **'judicial and non-judicial proceedings'** (which are not final court decisions).

- **S1-10 Social Protection:**

EuropeanIssuers calls for the **deletion of this disclosure requirement as it requests information beyond the preparers' control**. In many cases, regulatory or legal barriers, such as the US Anti-Discrimination Act, would prevent companies from collecting the required data, making this disclosure impracticable.

III. Governance

- **G1-5 Political contributions and lobbying:**

Despite some improvement, the disclosure of direct and indirect, financial and in-kind political contributions (para. 13) as well as the global main lobbying topics (para. 14) remains **disproportionate**. Collecting data on indirect contributions is highly burdensome and may raise legal concerns, particularly outside the EU. Additionally, disclosure of lobbying topics is already covered by the EU Transparency Register and national registers, making the requirement redundant.



EuropeanIssuers therefore proposes to **limit the scope to EU Member States** or to **delete the requirements**.

- **G1-6 Disclosure of standard payment terms:**

The current wording on the obligation to report standard payment terms by main supplier categories raises **significant practical challenges**. Compliance would require unrealistic system changes to categorise suppliers by size, the preparers in scope of the CSRD, often have tens of thousands of suppliers worldwide, and they do not have information regarding the size of their suppliers in their IT systems. In addition, the absence of a globally harmonised definition of “SMEs” contributes to the legal and practical uncertainty, particularly for internationally operating companies.

EuropeanIssuers therefore proposes to **delete** this disclosure requirement.

