

# EFRAG DRAFT SIMPLIFIED ESRS

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A European Milestone for  
Sustainability Reporting

# CONFERENCE

# 2025



# **OPENING & WELCOME**

**EFRAG Administrative Board President  
Benoit Jasper**



# TECHNICAL ADVICE PRESENTATION

## PART I: CROSS CUTTING

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# MODERATOR

**Partner & Director, BCG**

Tim Mohin



# INTRODUCTION



Chiara Del Prete  
EFRAG SR TEG Chair



Wim Bartels  
EFRAG SRB Member



Kristian Koktvedgaard  
EFRAG SRB Member



Laurence Rivat  
EFRAG SRB Member



Simon Braaksma  
EFRAG SRB Member



OVERVIEW: MAIN  
DIFFERENCES  
**CHIARA DEL  
PRETE**

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Chair, EFRAG Sustainability Reporting Technical Expert Group  
(EFRAG SR TEG)



# WHAT WE HAVE ACHIEVED

Reduction & simplification



# SIMPLIFICATION

- **More focus on decision usefulness and materiality as general filter**
- **Proportionality mechanisms**
- **Reliefs**
- **Phasing-in challenging datapoints**
- **Principles-based standards for narrative DPs**
- **Flexibility on how to report in line with how impacts, risks and opportunities (IROs) are managed**



# LEVERS OF SIMPLIFICATION

- Simpler requirements and structure
- Clearer, more accessible reporting
- Reduced burden and better interoperability



**Simplification of the  
Double Materiality  
Assessment (DMA)**

**Better  
readability/conciseness of  
the sustainability  
statements and better  
inclusion in corporate  
reporting as a whole**

**The critical modification of  
the relationship between  
MDR's and topical  
specifications**

**Improved  
understandability, clarity  
and accessibility of  
amended ESRS**

**Burden relief  
reductions**

**Enhanced  
interoperability**

# LEVERS OF SIMPLIFICATION



# BURDEN RELIEFS

- Undue cost or effort exemptions
- Flexibility for acquisitions and disposals
- Allowances for lacking data
- Exemptions for immaterial activities
- Use of estimates in value chain data
- Exclusion of joint operations
- Protection of confidential information
- Transitional phase-in provisions
- Reduced disclosure on anticipated financial effects



# DMA and IMPACT

# *WIM BARTELS*

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EFRAG SRB Member



# SIMPLIFICATION OF THE DMA

## DOUBLE MATERIALITY

- Materiality central to ESRS
- More flexible approach with top-down focus
- Improved flow and clarity
- Key concepts reinforced

## REPORTING OF ACTIONS

- Based on users' needs
- Distinguishes actual vs potential impacts





FAIR PRESENTATION AND  
CONCISENESS OF REPORTS

**KRISTIAN  
KOKTVEDGAARD**

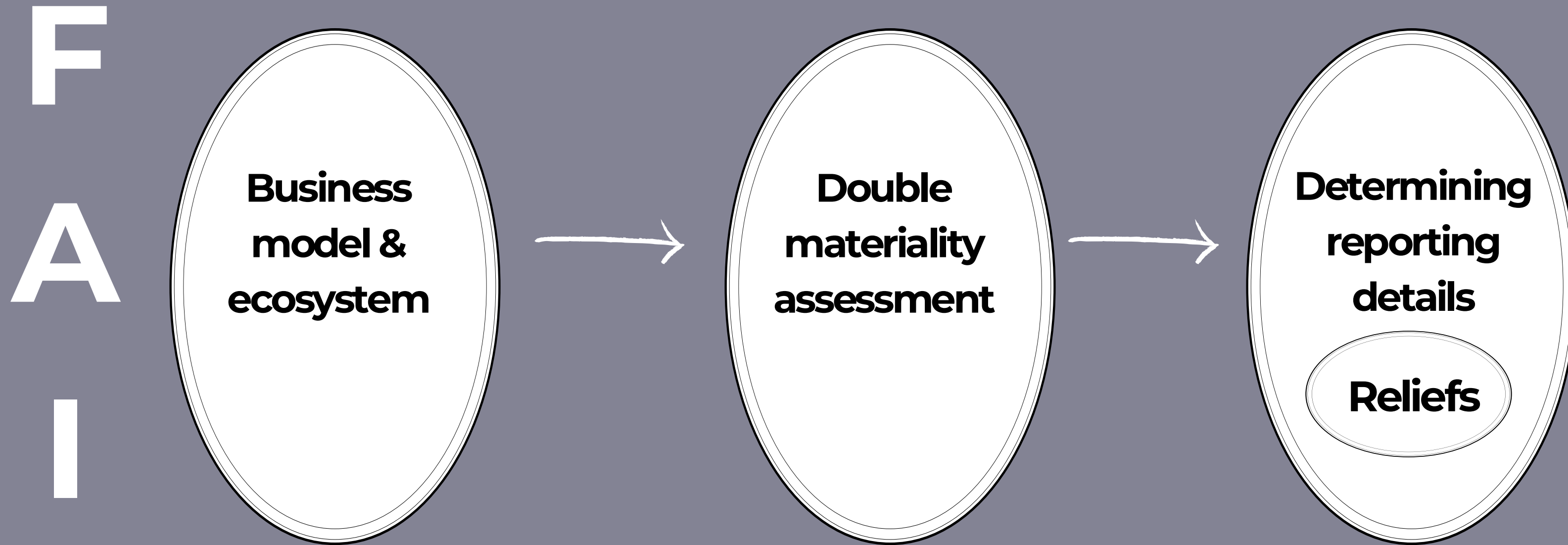
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EFRAG SRB Member



# CSRD CHARACTERISTICS OF QUALITY

RELEVANCE + FAITHFUL  
REPRESENTATION



# CONCISENESS OF REPORT

Flexibility to enhance clear communication and coherence

Avoid obscuring information

PAT's reported only 'if the undertaking has them'

Executive summary and appendices





# STRUCTURE OF ESRS 1 and 2 & FUTURE of NMIG

# *LAURENCE RIVAT*

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EFRAG SRB Member



# ESRS 1 AND 2 STRUCTURE

## **SIMPLIFIED STANDARDS**

- Clearer relationship between ESRS 2 and topical standards
- Regrouped and reduced mandatory requirements
- Streamlined terminology and structure for clarity

## **NON-MANDATORY GUIDANCE**

- Voluntary datapoints removed to avoid confusion
- Future guidance to be issued by EFRAG



# ANTICIPATED FINANCIAL EFFECTS

# ***SIMON BRAAKSMA***

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EFRAG SRB Member



# ANTICIPATED FINANCIAL EFFECTS

## CHALLENGES

- Uncertain forward-looking data
- Lack of standardised methods
- Sensitive information
- Interoperability issues

## AMENDMENTS

- 'Option 1' retained (financial materiality)
  - ✓ Quantitative and qualitative disclosures
  - ✓ Reliefs and phasing-in
  - ✓ Non-climate disclosures in ESRS 2



# TECHNICAL ADVICE

## PART TWO: TOPICAL STANDARDS

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# MODERATOR

**Partner & Director, BCG**

Tim Mohin



# INTRODUCTION



Chiara Del Prete

EFRAG SR TEG  
Chair



Pedro Faria

EFRAG Director:  
Environment



Gemma S. Danes

EFRAG Director:  
Social



Abigail Levrau

EFRAG Senior  
Technical Manager -  
Governance

# OVERVIEW

# **CHIARA DEL PRETE**

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Chair, EFRAG Sustainability Reporting Technical Expert Group  
(EFRAG SR TEG)



# OVERVIEW

- Topical standard architecture restructured
- Principles in focus
- No new concepts



# ENVIRONMENT

# ***PEDRO FARIA***

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Director, EFRAG



# ENVIRONMENTAL STANDARDS





SOCIAL

***GEMMA SANCHEZ DANES***

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Director, EFRAG



# SOCIAL STANDARDS

## **ESRS S1-S4: COMMON SIMPLIFICATION**

- Simpler language and >60% datapoint reduction
- Better alignment with ESRS 2 and topical standards

## **DR1 POLICIES**

- Human rights policy consolidated and reduced

## **DR 2 (FORMER DR2/3)**

- Engagement and remediation merged and simplified

## **DR 3 & DR 4**

- Fewer datapoints; focus on effectiveness of actions



# SOCIAL STANDARDS

# S

## ESRS S1 – KEY CHANGES

### S1-5 / S1-7 – SIGNIFICANT EMPLOYMENT

- Focus on top countries and material workforce

### S1-6 – NON-EMPLOYEES

- Disclose only when material

### S1-9 – ADEQUATE WAGES

- Updated methodology based on living wage principles

### S1-13 – HEALTH & SAFETY

- Focus on recordable work-related accidents

### S1-15 – UNADJUSTED PAY GAP

- Simplified, entity-specific reporting allowed

### S1-16 – HUMAN RIGHTS INCIDENTS

- Scope narrowed and datapoints reduced



GOVERNANCE

***ABIGAIL LEVRAU***

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Senior Technical Manager - Governance, EFRAG



# GOVERNANCE STANDARD

# G1

## ESRS G1 – BUSINESS CONDUCT

- Updated corruption/bribery metrics
- Streamlined structure
- Clarified requirements



LAUNCH:

# EFRAG Knowledge Hub



**Richard Boessen**  
**Florian Diesner**  
**Martin Nienhaus**  
**Saskia Slomp**





EFRAG

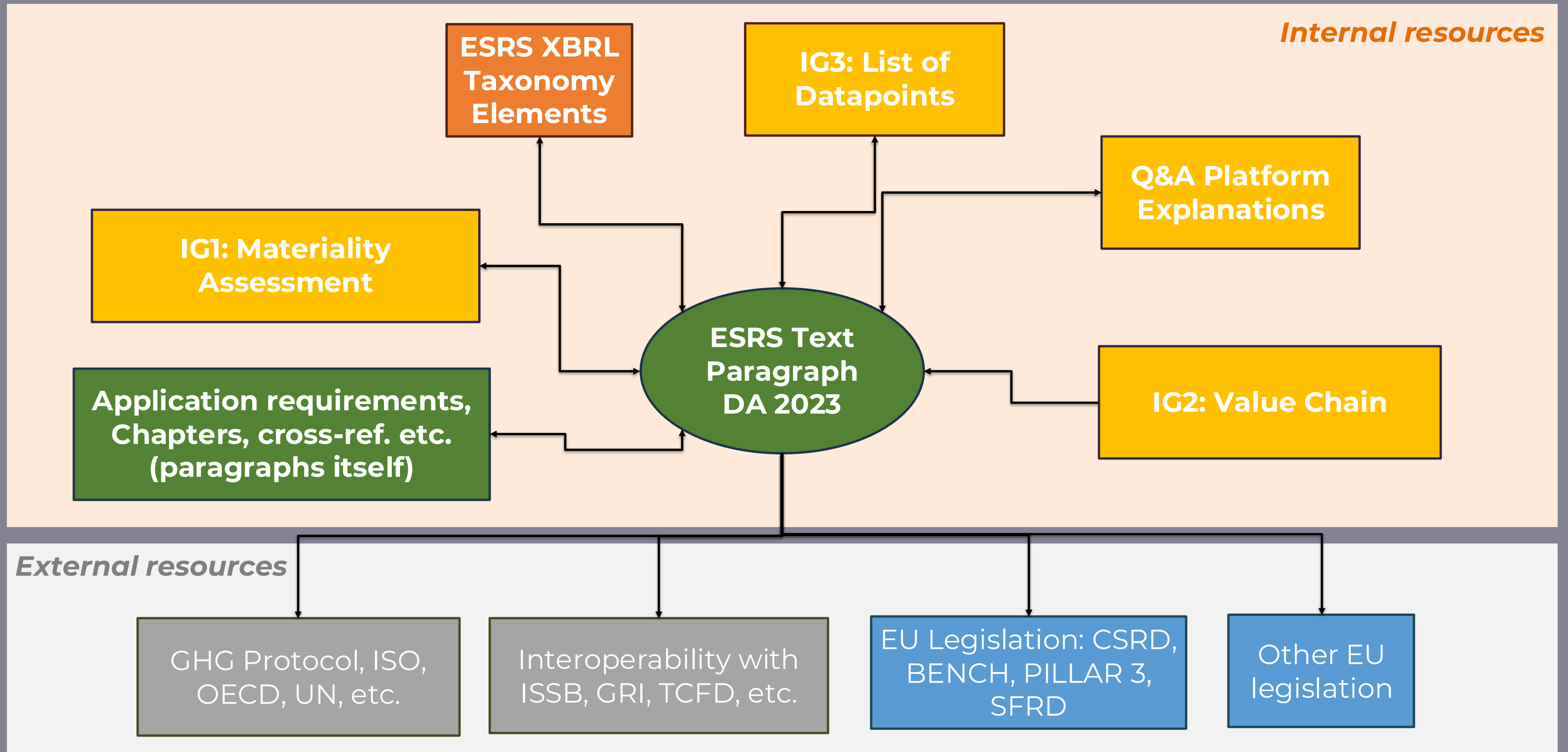


KNOWLEDGE  
HUB

<https://knowledgehub.efrag.org>



# The goal: A single database to combine all ESRS/VSME materials



# ***INTRODUCES THE KEYNOTE SPEAKERS***

**EFRAG Administrative Board President  
Benoit Jasper**





KEYNOTE SPEAKER

# PATRICK DE CAMBOURG

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Chair of the EFRAG Sustainability Reporting Board (SRB)



KEYNOTE SPEAKER

# MARIA LUÍS ALBUQUERQUE

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European Commissioner



# CLOSING

**EFRAG Administrative Board President**  
Benoit Jasper



**THANK YOU !**



# BECOME A FRIEND OF EFRAG!

Show your commitment to transparent, high-quality reporting in Europe — become a Friend of EFRAG and help shape the future of financial and sustainability reporting.

## ADVANTAGES

- Visibility on website
- Meetings with the EFRAG high-level representatives
- Mention in EFRAG's Annual report
- Reserved seats at physical events
- A possible EFRAG representation in the entities' events
- Use of "Friend of EFRAG" logo

*A financial contribution is requested*



# EFRAG

Europe's voice in corporate reporting