7 May 2025

Patrick de Cambourg
Chair – Sustainability Reporting Board
EFRAG
35 Square de Meeus
1000 Brussels

Response to Omnibus and the revision of the ESRS

Dear Patrick,

We are writing with regard to the multi-stakeholder call for input you are currently holding to inform the simplification of the European Sustainability Reporting Standards (ESRS), as part of the Omnibus legislation relevant to the Corporate Sustainability Reporting Directive (CSRD). In addition to contributing to the survey designed for this purpose, GRI would like to set out some key observations for consideration. We also offer suggestions on how the simplification process should be conducted, to maintain coherence in reporting while delivering on demands to reduce the disclosure requirements in the ESRS.

As we trust is evident from our active engagement with you and your team, GRI values our Memorandum of Understanding with EFRAG and looks forward to continuing to work together in co-constructing corporate reporting standards for the European Union that serve as a meaningful basis for greater business resilience, accountability, better decision-making and sustainable economic growth.

GRI is an independent nonprofit organization and the architect of the common global language to assess and report on environmental, social and economic impacts. For more than 25 years, we have led a global multi-stakeholder process to develop and refine rigorous yet practical approaches to sustainability reporting, which meet the needs of all stakeholders. Our standards, tools and training empower organizations of all sizes to create sustainable, long-term value and unlock positive change in the world.

The GRI Standards are the world's most widely used sustainability reporting framework. They not only provide the building blocks for transparent reporting on impacts, but they also enable both risks and opportunities to be assessed and addressed.

Key observations for the Omnibus legislation relevant to the CSRD

1. **Europe needs to remain a global leader in promoting the green economy.** The EU has been a beacon for an economy that serves both people and planet. Despite recent significant headwinds, the EU's Green Deal offers a critical competitive advantage for the EU economy[1]. The CSRD, in particular, is an important policy lever to promote the transition to a more sustainable economy[2]. Sustainability performance delivers a competitive advantage for companies that are first movers. Investors also benefit from green economic growth; a study by the Principles for Responsible Investment (PRI) concluded that "relationships between ESG attributes and corporate performance remain valid"[3].

2. **Effective corporate reporting is a key enabler for sustainable development**. Sustainability information on impacts benefits many – from reporters and investors to governments and the public. Two points are seminal here. First, most major companies operating in the EU already provide impact reporting, albeit on a voluntary basis. Moving forward, ESRS should conform more, not less, to these widely adopted reporting practices. Second, although financial reporting has long been a requirement in the EU, mandating sustainability reporting is relatively new. Yet reporting on sustainability beyond what is financially material in the short term reinforces the *raison d'être* of the CSRD – with a double materiality approach serving as a driver of resilient business and a sustainable economy.

---

[1] The economic fundamentals of the CSRD impact assessment remain relevant: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021SC0150
[2] See recent study by Workiva that show a competitive advantage to companies integrating sustainability into their business model.
[3] See https://www.unpri.org/pri-blog/part-iii-esg-factors-and-returns-a-review-of-recent-research/12728.article

GRI
Barbara Strozzilaan 101 1083 HN Amsterdam The Netherlands +31(0) 20 531 00 00 info@globalreporting.org
Amsterdam | Bogota | Johannesburg | New Delhi | Singapore

Capital markets need effective reporting on an organization's most significant impacts to adequately assess companies and their business models. Most enterprise risks and opportunities originate from externalities – which current financial reporting does not consider. The financial stability of the EU single market depends on comprehensive corporate sustainability reporting to support the efficient flow of capital[4].

Managing systemic risk requires an understanding of the accumulated impact of business activity, hence why major investors demand reporting on an organization's most significant impacts. Comprehensive reporting based on impacts, risks and opportunities provides a wealth of information for EU Member States to better understand the cumulative effects of business activity and systemic challenges and opportunities they present, including for the achievement of state-level sustainability-related commitments. This has been acknowledged by the G20 and provided the impetus for central banks to endorse and codify the Task Force for Climate-related Disclosures (TCFD).

3. Simplification is welcome – if defined, applied and managed well. It also offers an opportunity for integrating ESRS into an emerging global system of corporate reporting on sustainability. The simplification agenda needs to strengthen rather than undermine high-quality reporting by focusing on the most significant impacts[5]. Arbitrary cuts in the number of disclosures, however, can have the opposite effect, making reporting more confusing and less relevant to reporters and report users.

There is a wider context here that is also important and reinforced in the Commission's letter to EFRAG on the importance of stronger alignment with the global corporate reporting system, drawing on the IFRS Accounting and Sustainability Standards for financial reporting and the GRI Standards for sustainability reporting on impacts. Over the past few years, GRI's GSSB and

---

[4] See https://www.ecb.europa.eu/press/key/date/2024/html/ecb.sp240526~ef011def12.en.html
[5] See for example https://www.drsc.de/app/uploads/2025/03/20250325_ESRS-Sustainability-Reporting-Practice-2024_DRSC_Deloitte.pdf

GRI
Barbara Strozzilaan 101 1083 HN Amsterdam The Netherlands +31(0) 20 531 00 00 info@globalreporting.org
Amsterdam | Bogota | Johannesburg | New Delhi | Singapore

the IFRS Foundation's ISSB have collaborated in pursuit of a seamless, global and comprehensive sustainability reporting system for companies looking to meet the information needs of both investors and a broader range of stakeholders.

Common disclosures are an important component of a global system. A common reporting language is also essential to provide a simplified and effective basis for corporate reporting. Ambition to create a unified global system should be central to determining what disclosures should be included in the ESRS.

For these reasons, as we have discussed, we believe that the simplification of the ESRS would benefit from greater alignment with the GRI Standards. This starts with the impact materiality assessment to identify the most significant impacts (set out in GRI 3), followed by the description of these impacts and the discussion of how they are addressed and managed.

The ESRS should also be aligned with the disclosure requirements in the GRI Standards. The GRI Standards are a globally relevant and comprehensive solution already used by many large companies and underpinned by strong communities of practice. Developed using an extensive multi-stakeholder approach and following a rigorous due process, they provide a coherent and long-established global baseline for impact reporting, in the EU and around the world.

GRI analysis indicates that 65% of EU companies with more than 1,000 employees reported on sustainability using the GRI Standards in 2024. And recent research from KPMG found that across all global regions, including Europe, the GRI Standards are the most widely used sustainability reporting standards, adopted by 71% of the top 100 companies in 58 countries. This is important for third-country reporters (those with operations in the EU but domiciled outside of it) and provides consistent global reporting that leverages existing practices.

GRI

Barbara Strozzilaan 101 1083 HN Amsterdam The Netherlands +31(0) 20 531 00 00 info@globalreporting.org

Amsterdam | **Bogota** | **Johannesburg** | **New Delhi** | **Singapore**

Design considerations for the simplification process

In its mandate to EFRAG, we note that the Commission has set out criteria for the simplification process. It is with those criteria in mind that we offer the following suggestions:

- **Enhance interoperability with global sustainability reporting standards:** Thousands of European companies already use the GRI Standards to prepare their sustainability reports. If the ambition is to leverage existing practices, adopting more of the structure and presentation of the GRI Standards will lower the cost of implementation. The GRI Standards provide an established global solution for more granular reporting on 30+ sustainability topics that is continuously improved through a global multi-stakeholder process carried out in the public interest.

- **Reduce mandatory datapoints without losing the focus on impact:** In implementing the reduction of mandatory data points, we urge EFRAG to preserve the core of the information based on impact disclosures drawn from the GRI Standards. This is consistent with the approach advocated by Accountancy Europe in its 'Core and More' approach[6] and was recently reinforced when EU Commissioner Albuquerque gave companies the choice to opt into ESRS-based reporting[7]. Removing ESRS datapoints that are not covered by the GRI Standards would achieve a reduction in disclosures of at least 30% while preserving the ambition to ensure the ESRS is aligned with widely-adopted sustainability reporting standards. Companies that want to go beyond a concise set of disclosures could leverage the GRI Standards for their reporting. The higher the level of alignment between ESRS and GRI disclosures, the easier it will be for preparers to implement.

- **Combine quantitative and qualitative data points**: Over our more than 25 years of developing global sustainability reporting standards, both preparers and users have consistently confirmed that combining quantitative and qualitative information is essential for making disclosures useful for decision-

---

[6]https://accountancyeurope.eu/wp-content/uploads/2022/12/170918-Publication-Core-More-1.pdf?v1
[7] https://ec.europa.eu/commission/presscorner/detail/en/speech_25_631

Barbara Strozzilaan 101 1083 HN Amsterdam The Netherlands +31(0) 20 531 00 00 info@globalreporting.org

making. Accordingly, the reduction in disclosures should not disproportionately affect qualitative disclosures.

- **Provide clearer instructions on applying the materiality principle:** Materiality assessment, as applied by most leading companies, is well established in the GRI Standards. The reporting process starts by identifying the most significant impacts, describing these impacts and discussing how these impacts can be addressed and managed. This basis needs to be retained and underpinned by established metrics on individual topics.

In summary, GRI firmly supports the realization of a streamlined global corporate reporting system, in which disclosures on impacts and sustainability-related risks and opportunities are on equal footing. We urge EFRAG to retain the elements of the ESRS that position Europe as the global leader in sustainability reporting and reflect the interconnected nature of international business.

By retaining a leadership role, Europe can shape a successful and sustainable economic future for the benefit of its citizens, EU Member States and beyond. GRI has been a strong supporter of EFRAG over the past four years, as demonstrated through the technical and strategic support provided for the development of the ESRS. We stand ready to continue our collaboration with EFRAG in the simplification process.

Yours sincerely

Robin Hodess,
Chief Executive Officer, GRI

Carol Adams
Chair, Global Sustainability Standards Board

GRI
Barbara Strozzilaan 101 1083 HN Amsterdam The Netherlands +31(0) 20 531 00 00 info@globalreporting.org
Amsterdam | Bogota | Johannesburg | New Delhi | Singapore