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Our ref: RJ-EFRAG 639 C
Direct dial: +31 (0)88 4960391
Date: Hoofddorp, September 29, 2025
Re: DASB response to EFRAG Consultation Draft Revised ESRS

Dear Patrick,

The Dutch Accounting Standards Board (DASB) appreciates the opportunity to provide a response to the consultation of the Exposure Drafts for revised and simplified European Sustainability Reporting Standards (ESRS) issued by EFRAG on 31 July 2025.

The DASB values and appreciates the significant amount of work done by EFRAG in a short period of time. That enormous amount of work by EFRAG is underlined by the number and quality of documents underlying the consultation. Generally speaking, the DASB believes that the proposed revisions result in more concise, accessible and improved ESRS. The DASB included its detailed observations, questions and suggestions for the revised ESRS in our survey response. This letter contains our main observations, concerns and suggestions for improvement in a broader perspective.

Amended ESRS and Omnibus Proposals

The simplification proposals (ED) of the ESRS are in line with DASB's view as expressed in our letters of 28 April and 8 August 2022. However, the DASB believes the proposals for the ESRS revisions cannot be assessed in isolation from the broader EU legislative developments and the swiftness thereof.

Currently, the EU sustainability legislation is under revision, or will be revised. We refer to the ongoing debate regarding the Omnibus proposals. The proposed amendments for the ESRS, coincide with the revision of the CSRD and other Omnibus Proposals, and severely impact the reporting practice. The DASB is of the opinion that the proposed amendments to the ESRS can only be properly assessed when the scope and content of the CSRD and related EU sustainability legislation is known.

Furthermore, the swift changes and accompanying legislative uncertainty impacts companies in implementing the CSRD/ESRS framework and assurance providers in preparing for the assurance of sustainability reporting. Also users are impacted due to the expected decrease of sustainability information becoming publicly available. The swiftness of the proposed ESRS amendments and the Omnibus proposals seem to create unrest and feelings of disappointment and dissatisfaction across preparers, assurance providers and users of sustainability reporting.

For example, as this is expressed by members of our DASB Sustainability Reporting Working Group, the DASB is aware of the concerns in Trade Unions in the Netherlands and at the European level which may lead to their opposing the Omnibus proposals and/or not responding to this ESRS consultation.

Suggestion for improvement:

The DASB fully understands and supports the simplification of the ESRS. However, we suggest to implement a period of legislative rest or pause after the anticipated revised ESRS in order to support the reporting practice in getting to know and use the reporting standards as well as maturing the sustainability reports. Allowing for a settling in of the standards as currently proposed, we believe that an improved due process is needed going forward – including sufficient (field) testing of any future proposals - for maintenance or further development of high quality legislation and standards that have widespread support, especially in a regulatory field under development such as sustainability reporting. High-quality standards will result in workable and high-quality reporting, will support the ability to provide high quality assurance by assurance providers and will facilitate the transparency to stakeholders. Using the ESRS and sustainability reports in practice will, over time, provide essential input required to further increase the quality of ESRS. Once the EU-member states have put the respective EU-sustainability legislation into practice further enhancements can be considered to increase the quality of ESRS.

Fundamental concerns and suggestions for improvement

We have the following fundamental concerns on the proposed amended ESRS. We provide key suggestions for improvement which in our opinion will improve the quality and cost-benefit of sustainability reporting. We hope our views and feedback will help you to strengthen the amended ESRS into a coherent set that will standardize sustainability reporting.

Our concerns and suggestions for improvement include:

1. Materiality principles

The DASB supports that the application of the double materiality assessment (DMA) remains the basis of the proposed amended ESRS. In general, the DMA amendments provide a foundation for enhanced clarity. For example, the inclusion of the information materiality filter supports preparers in a clearer division between relevant and irrelevant information based on the materiality of sustainability topics. However, the DASB feels that several concepts and wording should be further clarified to stimulate an unambiguous understanding of these requirements. For example, ESRS 1 par 21 refers to ‘primary users of general purpose financial reports’ (a) and ‘users of general purpose sustainability statements’ (b). We expect the description under (a) refers to financial materiality and under (b) to impact materiality. However, DASB is of the opinion that the difference between information materiality for the primary users of general purposes financial reports and for the users of general purpose sustainability statements is not entirely clear.

Suggestion for improvement:

- Clarify the concept of ‘users of the general purpose sustainability statements’;
- Clarify the (perceived) difference between a ‘general purpose sustainability statement’ and a ‘sustainability statement’.

2. Simplification and burden reduction in light of the concepts of fair presentation and undue cost or effort

The DASB appreciates EFRAG’s efforts to simplify the DMA, reduce the reporting burden and improve the reporting structure, understandability and readability of the ESRS. Although we agree with the reduction of mandatory disclosure requirements we are uncertain about the actual reduction of the reporting burden in practice. Some of the proposed changes may even result in a higher workload.

The DASB welcomes the explicit objective of ESRS to fairly present the material impacts, risks and opportunities (IROs). However, the DASB is concerned that the fair presentation concept and expected need to use more entity specific disclosures, including the judgments required in this respect, might not reduce the current reporting burden. The reduction of voluntary disclosure requirements might even complicate reporting due to the loss of guidance.

The DASB welcomes the ‘principle of undue cost or effort’ but feels more clarification or guidance is needed in how this principle should be applied in practice.

Suggestion for improvement:

The DASB suggests to further clarify the fair presentation concept and the principle of undue cost or effort. We also suggest to provide more guidance on how the fair presentation concept interacts with the requirement to provide additional entity-specific disclosures if a topic is not covered, or not covered with sufficient granularity by the ESRS. We believe clarification will avoid possible interpretation differences which could increase reporting burden and risks for undertakings and assurance providers, resulting in inconsistencies undesirable for the users of sustainability reporting.

3. 'Gross vs Net' approach

The "Gross vs Net" issue resulted in extensive discussions within the DASB and its Sustainability Reporting Working Group.

The DASB supports the new guidance in ESRS 1 on how to consider prevention, mitigation and remediation actions in assessing materiality of negative impacts. However, the DASB is of the opinion that the guidance and terminology used is not entirely clear and could use further clarification. Also it is hard to fully grasp how the proposed amendments will work out in practice. We therefore fully support the field testing that currently takes place on this issue.

Suggestions for improvement:

- The DASB suggests to use the outcome of this field test to enhance the workability of the concept of Gross vs Net in performing the DMA.
- Also, the DASB feels further clarification is required on ongoing actions in case of potential impacts and their significance. Such a clarification can be supported by an example in the Health and Safety-area.

4. Interoperability

The DASB is positive about the increased alignment of ESRS with international developments, especially the IFRS Sustainability Disclosure Standards (IFRS-SDS). The DASB is of the opinion that securing interoperability is a major point of attention, especially for undertakings also active outside the EU. According to the DASB interoperability indicates that the ESRS facilitate the possibility to simultaneously apply IFRS-SDS as much as possible. Consequently, standards and concepts must be clearly defined. According to the DASB, ESRS and IFRS-SDS should strive for consensus wherever possible, and where any difference exists, it must be clarified what the difference is and what is additionally required to meet the requirements of both frameworks.

Suggestion for improvement:

The DASB notes that the time taken to develop the IFRS SDS seems to be longer compared to the ESRS, and does not necessarily address all of the respective topics at the same time and in the same level of detail. It is important that ESRS take appropriate time to develop (although reaching a finalization by June 2026 is quite critical at the same time to timely provide reliefs for wave-1 reporters and clarity for wave-2 reporters). Additionally, a close continued co-operation between the ISSB, EFRAG and the EC remains crucial both from an effectiveness and efficiency perspective.

Lastly, the DASB believes that interoperability could be enhanced by including, in ESRS 2 par 23, the IFRS relief that a preparer can omit quantitative information when it does not have the skills, capabilities or resources to provide that quantitative information. Additionally, such relief may further reduce the reporting burden under ESRS.

5. Intertwinement ESRS and EU legislation

The DASB believes the proposed ESRS revisions cannot be assessed in isolation from the broader EU legislative developments. The expected evaluation and accompanying adjustments of the EU Sustainable Finance Disclosure Regulation (SFDR) will most likely affect the ESRS due to the intertwining of the disclosure requirements.

Suggestion of improvement:

Currently, ESRS 2 has Appendix B which includes a list of datapoints in cross-cutting and topical standards that derive from other EU legislation. The DASB suggests to strengthen alignment even further by including a direct link between the revision processes of ESRS and other EU legislation. For example by including a provision in the ESRS stating that revisions of ESRS or laws and regulations referred to in the ESRS, such as SFDR, will lead to a review of the relevant disclosure standards in the ESRS to ensure or maintain alignment of the ESRS and EU legislation.

6. Value chain data and protection of SMEs

The DASB welcomes the explicit focus on the value chain and protection of SMEs in the proposed amended ESRS, for example visualized in ESRS G1. However, the proposed amended ESRS and the Omnibus proposal to adjust the applicable scope of the EU Corporate Sustainability Reporting Directive (CSRD) are expected to severely impact the accessibility and quality of value chain data.

Suggestion for improvement:

The DASB suggests investigating the possibilities of developing authoritative reporting databases at EU level, for example on the topic of living wages, as a basis for standardized assumptions.

Green deal objectives

The EFRAG consultation acknowledges the potential impact on meeting the Green Deal objectives by asking if the proposed amended ESRS strike an appropriate balance between (i) the need for significant simplification following the Omnibus proposals and (ii) meeting the core objectives of the European Green Deal (question 33).

The objective of the green deal, in short ‘striving to be the first climate-neutral continent’, is in essence an objective that reporting as such cannot achieve on its own.

Furthermore, sustainability reporting is still in its early stages and it will take some time before the sustainability reporting practice will reach its full potential.

The alignment of the ESRS with other EU sustainability legislation necessitates a broader perspective to fully assess the relevance and impact of the ESRS on reporting practice. Notably, the Omnibus proposals are expected to have a significant impact on the development of EU sustainability legislation, including the CSRD, SFDR, EU Taxonomy and the Corporate Sustainability Due Diligence Directive (CSDDD).

In light of the above the DASB did not answer this question.

Guidance after finalization of the revised ESRS

Transitional provisions

The related revision of the CSRD, ESRS and the “stop-the-clock” directive might result in uncertainties especially for the so called wave 1 companies and for assurance providers. The DASB suggests to add some transitional provisions to the proposed revised ESRS, in order to clarify how (and when) undertakings that currently report and comply with the ESRS set 1 (2023 version) should transpose to comply with the anticipated revised ESRS. Examples of such unclarities are for instance how to report comparative figures (previous reporting year) or adjusted metrics.

Questions and guidance

The DASB expects that when undertakings and assurance providers start working with the revised ESRS, questions will arise in practice. To the DASB it is unclear how the expected guidance and information process after finalization of the anticipated revised ESRS will be. Currently, there are FAQs and implementation guidance, but how do these

current documents relate to the upcoming Non Mandatory Illustrative Guidance (NMIG)? The DASB suggests to clarify the process and legal status of questions, answers and guidance.

Detailed survey response

DASB's detailed response to the draft revised ESRS are provided in your digital public consultation survey.

Please feel free to contact us if you wish to discuss the contents of this cover letter or our consultation response to the survey.

On behalf of the DASB as well as Olga Smirnova and Simon Braaksma as co-chairs of the DASB Working Group Sustainability Reporting,

Yours sincerely,

Gerard van Santen

Chairman Dutch Accounting Standards Board