



EUROPEAN
COMMISSION

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COMMISSION DELEGATED REGULATION (EU) .../...

of 3.7.2026

**amending Delegated Regulation (EU) 2023/2772 as regards the simplification of certain
sustainability reporting standards**

{SWD(2026) 500 final}

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

Articles 19a and 29a of the Accounting Directive (2013/34/EU)¹ as amended by the Corporate Sustainability Reporting Directive (“CSRD” – (EU) 2022/2464)² require certain undertakings to publicly disclose information concerning the undertaking’s impacts, risks and opportunities in relation to sustainability matters. This information must be reported in accordance with the European Sustainability Reporting Standards (ESRS) set out in Commission Delegated Regulation (EU) 2023/2772³ and included in a dedicated section of the undertaking’s individual or consolidated management report, as appropriate.

The Omnibus I simplification package (Directive (EU) 2026/470⁴), which entered into force on 18 March 2026, and which will have to be transposed by Member States by 19 March 2027, amended the Accounting Directive by reducing the number of undertakings in scope and by simplifying the sustainability reporting framework.

To deliver swiftly on the simplification and streamlining of sustainability reporting without undermining the objectives of the CSRD, Recital (18) of the Omnibus I simplification package recognises that the Commission, within six months of the entry into force of the Omnibus I, will adopt a delegated act amending the existing ESRS by: (i) removing datapoints deemed least important for general purpose sustainability reporting; (ii) prioritising, to the extent possible, quantitative datapoints over narrative text; (iii) further distinguishing between mandatory and voluntary datapoints; (iv) providing clear instructions on how to apply the materiality principle in order to ensure that undertakings are only required to report material information and to reduce the risk that assurance service providers inadvertently encourage undertakings to report information that is not necessary or dedicate excessive resources to the materiality assessment process; (v) improving consistency with other pieces of Union legislation, including financial services legislation; and (vi) taking account, to the greatest extent possible, of interoperability with global sustainability reporting standards. The revision of the existing ESRS should clarify provisions that are deemed unclear and simplify the structure and presentation of the standards. It should also make any other modifications that might be considered necessary considering the experience gained in the application of the existing ESRS. Sustainability reporting standards should also take account of the difficulties that undertakings might encounter in gathering information from actors throughout their value chain, especially from those which are not subject to the sustainability reporting requirements and from suppliers in emerging markets and economies.

¹ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19, ELI: <http://data.europa.eu/eli/dir/2013/34/oj>).

² Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (OJ L 322, 16.12.2022, p. 15, ELI: <http://data.europa.eu/eli/dir/2022/2464/oj>).

³ Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (OJ L, 2023/2772, 22.12.2023, ELI: http://data.europa.eu/eli/reg_del/2023/2772/oj).

⁴ Directive (EU) 2026/470 of the European Parliament and of the Council of 24 February 2026 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements (OJ L, 2026/470, 26.2.2026, ELI: <http://data.europa.eu/eli/dir/2026/470/oj>).

As required by the Accounting Directive⁵, the Commission must adopt these revised standards taking into consideration the technical advice provided by EFRAG, a multistakeholder non-profit association established under Belgian law that advises the Commission on financial and sustainability reporting standards.

EFRAG submitted to the Commission its technical advice on the revised ESRS on 2 December 2025. This technical advice was developed based on a work programme on which the Commission was consulted on in April 2025. The accompanying cost-benefit analysis, together with the basis for conclusions, the log of amendments, the comparative table of texts, and the explanatory note on Article 29b(5) of the Accounting Directive⁶ were submitted to the Commission on 23 December 2025.

This delegated act amends the European Sustainability Reporting Standards (ESRS) that undertakings must use to carry out their sustainability reporting in accordance with Articles 19a and 29a of the Accounting Directive. Undertakings must use the revised ESRS from financial year 2027. In addition, they may choose to use the revised ESRS also for financial year 2026.

The Commission will monitor the implementation of the standards contained in this delegated act to ensure that they lead to the disclosure of relevant, reliable and comparable sustainability information.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

Prior to the submission of its technical advice to the Commission, EFRAG issued a call for input in April 2025, held several one-on-one interviews with undertakings of different sizes, sectors and Member States, carried out a benchmarking exercise of sustainability statements issued on reporting year 2024 and a detailed analysis of the questions received through the ESRS Q&A Platform. It also organised multiple outreach events with various stakeholder groups in September 2025, two targeted field tests, and ran a public consultation on the simplified ESRS Exposure Drafts from 29 July 2025 until 29 September 2025.

EFRAG's revised draft ESRS modified the existing ESRS by:

- Shortening and clarifying the text of the standards, to facilitate their application and a clearer presentation of sustainability information by undertakings;
- Introducing additional flexibility measures to alleviate the burden on undertakings, such as new reliefs and phase-ins;
- Reducing the mandatory datapoints by 61% while retaining the core objectives of the European Green Deal;
- Enhancing the interoperability with international standards and other Union legislation to the maximum extent compatible with the simplification objective; and
- Simplifying the materiality assessment, by introducing a substantially clarified and more proportionate approach with principle-based guidance and the possibility to include clearly identified non-material information without obscuring material disclosures. The reference to a fair presentation framework was also made explicit through enhanced emphasis on qualitative characteristics and entity-specific

⁵ Article 49(3b) of the Accounting Directive.

⁶ This note explains how the draft revised ESRS take account of the initiatives and legislation listed in Article 29(b)5 of the Accounting Directive.

disclosures and the clarification that the undertaking is not required to disclose information prescribed by ESRS that is not material.

EFRAG's cost-benefit analysis on the revised draft ESRS presents an assessment of the impact of the revised standards across different stakeholder groups, i.e. mainly EU undertakings (under the scope of the Omnibus proposal as per 26 February 2025 or that form part of their value chain) and users of ESG data (investors, civil society, and society at large). The analysis considers the cost savings for undertaking as well as the potential loss of information for users of ESG data resulting from the revision of the ESRS, assessing both positive and negative impacts, and distinguishing between direct and indirect effects. The analysis, compared to the first set of ESRS adopted in 2023, identifies an overall cost reduction trend and benefits for undertakings without significantly affecting the costs and benefits for the users of sustainability statements. With respect to the costs for individual undertakings, EFRAG notes that costs savings are economically significant. Over the five-year period, reporting cost savings correspond on average to 34% of baseline costs for undertakings in scope. The savings rate is estimated at 28% in 2027, increases to 38% in 2028, and then stabilises at around 33-36% from 2029 onwards, once all undertakings are subject to the revised framework. With the inclusion of the value chain effects, cumulative savings raise from EUR 3.7 billion to around EUR 4.7 billion over 2027-2031, corresponding to approximately 44% of baseline costs. With respect to the benefits for users of sustainability statements, EFRAG underlines that, given their nature, they are difficult to quantify and are assessed in the report mainly in qualitative terms. These estimated costs and benefits are based on the proposed standards submitted by EFRAG and not the final delegated act adopted by the Commission.

Following EFRAG's submission of its technical advice to the Commission and prior to the adoption of this delegated act, the Commission has carried out the following consultations, as required by the Accounting Directive⁷:

- Joint consultation of the Member State Expert Group on Sustainable Finance and the Accounting Regulatory Committee;
- Consultation of the European Securities and Markets Authority (ESMA), the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Environment Agency (EEA), the European Union Agency for Fundamental Rights (FRA), the European Central Bank (ECB), the Committee of European Auditing Oversight Bodies (CEAOB) and the Platform on Sustainable Finance.

In addition, a number of stakeholders have shared their views with the Commission on EFRAG's technical advice for the revised ESRS.

In light of these consultations the Commission has made a number of targeted modifications to EFRAG's technical advice, with the primary aim of facilitating the application of the standards by clarifying certain provisions and granting certain additional flexibilities to undertakings. The principal modifications made in this regard address the following issues:

- Materiality and materiality assessment. The text clearly states that the undertaking is not expected to meet the specific information needs of each individual user and stresses that the objective of the standards is to ensure the reporting of information that is decision-useful for users. It specifies that undertakings "shall not" report information that is not material, except in certain clearly defined circumstances, rather than stating that the undertaking "is not required to" report information that is

⁷ Article 49(3b) of the Accounting Directive.

not material. Lastly, a new provision emphasises that the “top-down” approach to materiality assessment allows the undertaking to avoid unnecessary work and in general to avoid assessing the materiality of each individual impact, risk or opportunity.

- Fair presentation: The text clarifies that fair presentation applies to the overall sustainability statement and does not apply to each datapoint. It also states more clearly that the application of ESRS results in fair presentation. The modifications made regarding materiality and materiality assessment will also facilitate the application of the principle of fair presentation.
- Level of aggregation and disaggregation: The text introduces greater discretion to the undertaking regarding the need to consider specific geographical contexts when carrying out the materiality assessment. It also clarifies that the level of disaggregation for materiality assessment does not imply that information must be reported at that same level of disaggregation.
- Omission of information: The text integrates new provisions derived from the Omnibus I Directive that allow undertakings to omit certain information in certain circumstances, including information that could be seriously prejudicial to the commercial position of the undertaking.⁸
- Anticipated financial effects: The text states that reporting anticipated financial effects is likely to involve estimates and that these can be updated in the future in light of new information without this constituting a reporting “error”. It also clarifies that the provisions that allow undertakings to omit certain information in certain circumstances, including information that could be seriously prejudicial to the commercial position of the undertaking, also apply to reporting on anticipated financial effects. An additional year of phasing-in is introduced for both qualitative and quantitative information.
- Green house gas emissions: the text aligns more closely with global sustainability reporting standards by giving undertakings the flexibility to use either the financial control approach or the operational control approach when defining the reporting boundary to be applied.
- Climate transition plans: The text requires undertakings that report transition plans with targets that are not compatible with 1.5C target to be transparent about this.
- Microplastics: The text limits the disclosure requirement to primary microplastics. For reasons of feasibility and proportionality it does not require undertakings to report metrics on secondary microplastics.
- Emission of pollutants: the text specifies that the decision on which pollutants are material for reporting purposes should be taken following a managerial assessment that considers the undertaking’s activities and sector of operation.
- Substances of very high concern: the text introduces a new phase-in provision of one-year for reporting on substances of very high concern for undertakings that are users of articles containing such substances.

⁸ Text derived from Articles 19a(3) and 29a(3) of the Accounting Directive as amended by the Omnibus I Directive.

- Coherence with Corporate Sustainability Due Diligence Directive (“CSDDD” – Directive (EU) 2024/1760)⁹: the text includes a number of technical modifications regarding due diligence to ensure better alignment with the CSDDD.
- Human rights incidents and incidents of discrimination: the text clarifies that only “substantiated verified” instances are to be reported, and that not all instances are necessarily substantiated instances. It also deletes the reference to “initiated” for the judicial and non-judicial proceedings.
- Asset management activities: The text includes new provisions to allow financial institutions that manage investments subject to a fiduciary duty on behalf of clients pursuant to a mandate agreed with those clients to not disclose information in relation to those investments in their sustainability statement. Those investments are primarily relevant to the activities of the clients and not to the activities of the undertaking acting on their behalf. Additionally, the sustainability matters relevant for those investments are governed at EU level by Regulation (EU) 2019/2088 and by Delegated Regulations 2017/565 and (EU) 2017/593. These new provisions aim to avoid disproportionate administrative burden and the duplication of sustainability reporting requirements.

This delegated act was also subject to a four-week “Have Your Say” consultation on the Better Regulation portal¹⁰.

The Commission has also assessed the consistency of this delegated act with the climate neutrality objective set out in Article 2(1) of the European Climate Law (Regulation (EU) 2021/1119), and with the objective of ensuring progress on adaptation as referred to in Article 5 of that Regulation.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

This delegated act is based on Article 29b(1), first subparagraph, of the Accounting Directive.

It is accompanied by the following Annexes:

- Annex I, which amends Annex I to Delegated Regulation (EU) 2023/2772 on the first set of ESRS by reducing the number of datapoints, prioritising quantitative datapoints over narrative text, further distinguishing between mandatory and voluntary datapoints, providing clear instructions on how to apply the materiality principle, improving consistency with other pieces of Union legislation, and taking account, to the greatest extent possible, of interoperability with global sustainability reporting standards. Annex I also clarifies certain requirements and simplifies the structure and presentation of the standards.
- Annex II, which amends Annex II to Delegated Regulation (EU) 2023/2772 as regards the acronyms and glossary of terms by updating certain definitions to be used for the purposes of carrying out sustainability reporting in accordance with ESRS.

Delegated Regulation (EU) 2023/2772 as amended by this delegated act applies for financial years beginning on or after 1 January 2027 to all undertakings subject to sustainability

⁹ Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (OJ L, 2024/1760, 5.7.2024, ELI: <http://data.europa.eu/eli/dir/2024/1760/oj>).

¹⁰ The “Have Your Say” Consultation was conducted from 6 May to 3 June 2026 and generated 453 responses.

reporting requirements under Articles 19a and 29a of the Accounting Directive as amended by Directive (EU) 2026/470 (Omnibus I Directive).

For financial years beginning between 1 January 2026 and 31 December 2026, undertakings subject to sustainability reporting requirements may choose to apply the standards set out in Delegated Regulation (EU) 2023/2772 as amended by this delegated act instead of the standards set out in the existing version of Delegated Regulation (EU) 2023/2772. In addition, undertakings that for those financial years choose to apply the existing version of Delegated Regulation (EU) 2023/2772 should be able to apply certain reliefs introduced by this delegated act.

COMMISSION DELEGATED REGULATION (EU) .../...

of 3.7.2026

amending Delegated Regulation (EU) 2023/2772 as regards the simplification of certain sustainability reporting standards

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC¹, and in particular Article 29b(1), first subparagraph, thereof,

Whereas:

- (1) Commission Delegated Regulation (EU) 2023/2772² specifies the sustainability reporting standards that undertakings are to use for carrying out their sustainability reporting in accordance with Articles 19a and 29a of Directive 2013/34/EU, starting from the financial year indicated in Article 5(2) of Directive (EU) 2022/2464 of the European Parliament and of the Council³ for each category of undertakings.
- (2) Directive (EU) 2026/470 of the European Parliament and of the Council⁴ has amended Directive 2013/34/EU by, *inter alia*, reducing the number of undertakings that fall within the scope of Articles 19a and 29a of that Directive and by simplifying the sustainability reporting requirements from financial years beginning on or after 1 January 2027. In line with Directive (EU) 2026/470, and based on the experience gained with the application of the existing sustainability standards, it is necessary to amend the existing sustainability reporting standards by: (i) reducing the number of datapoints; (ii) prioritising quantitative datapoints over narrative text; (iii) further distinguishing between mandatory and voluntary datapoints; (iv) providing clear instructions on how to apply the materiality principle; (v) improving consistency with other Union legislation; and (vi) taking account, to the greatest extent possible, of interoperability with global sustainability reporting standards. Furthermore, it is

¹ OJ L 182, 29.6.2013, p.19, ELI: <http://data.europa.eu/eli/dir/2013/34/oj>.

² Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (OJ L, 2023/2772, 22.12.2023, ELI: http://data.europa.eu/eli/reg_del/2023/2772/oj).

³ Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (OJ L 322, 16.12.2022, p. 15, ELI: <http://data.europa.eu/eli/dir/2022/2464/oj>).

⁴ Directive (EU) 2026/470 of the European Parliament and of the Council of 24 February 2026 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements (OJ L, 2026/470, 26.2.2026, ELI: <http://data.europa.eu/eli/dir/2026/470/oj>).

necessary to simplify certain provisions of Delegated Regulation (EU) 2023/2772 and simplify the structure and presentation of the reporting standards.

- (3) The Commission has taken into account the technical advice provided by EFRAG, which meets the criteria set out in Article 49(3b), first, second and third subparagraphs, of Directive 2013/34/EU. However, to ensure proportionality and to facilitate the correct application of the sustainability reporting standards by the undertakings concerned, the Commission has made changes in relation to EFRAG's technical advice as regards: (i) materiality and materiality assessment; (ii) fair presentation; (iii) the level of aggregation and disaggregation; (iv) the ability to omit certain information; (v) anticipated financial effects; (vi) greenhouse gas emissions; (vii) climate transition plans; (viii) microplastics; (ix) emission of pollutants; (x) substances of very high concern; (xi) specific provisions for asset management activities; (xii) human rights incidents and incidents of discrimination; and (xiii) coherence with Directive (EU) 2024/1760 of the European Parliament and of the Council⁵ regarding due diligence.
- (4) These sustainability reporting standards meet the requirements set out in Article 29b of Directive 2013/34/EU.
- (5) It is thus necessary to replace the sustainability reporting standards set out in Annex I to Delegated Regulation (EU) 2023/2772.
- (6) Delegated Regulation (EU) 2023/2772 should therefore be amended accordingly.
- (7) In accordance with Article 29b(1), third subparagraph, of Directive 2013/34/EU, this Regulation should enter into force not earlier than four months after its adoption.
- (8) To provide undertakings with appropriate time to prepare for the application of the new requirements, and to minimise compliance costs, this Regulation should apply to the financial years beginning on or after 1 January 2027.
- (9) To reduce the reporting burden for undertakings already subject to sustainability reporting standards under the version of Commission Delegated Regulation (EU) 2023/2772 currently in force, those undertakings should, for the financial years beginning between 1 January 2026 and 31 December 2026, be allowed to apply either the standards as applicable pursuant to Commission Delegated Regulation (EU) 2023/2772 as last amended by Commission Delegated Regulation (EU) 2025/1416 or pursuant to this Regulation. In addition, undertakings that choose to apply Commission Delegated Regulation (EU) 2023/2772 as last amended by Commission Delegated Regulation (EU) 2025/1416 for those financial years should be able to apply certain reliefs introduced by this Regulation. To ensure transparency and comparability, undertakings should clearly state in their sustainability statement which version they apply for those financial years.
- (10) In accordance with Article 49(3b), fourth subparagraph, of Directive 2013/34/EU, the Commission has consulted jointly the Member State Expert Group on Sustainable Finance, referred to in Article 24 of Regulation (EU) 2020/852 of the European Parliament and of the Council⁶, and the Accounting Regulatory Committee, referred to

⁵ Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (OJ L, 2024/1760, 5.7.2024, ELI: <http://data.europa.eu/eli/dir/2024/1760/oj>).

⁶ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: <http://data.europa.eu/eli/reg/2020/852/oj>).

in Article 6 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council⁷.

- (11) In accordance with Article 49(3b), fifth subparagraph, of Directive 2013/34/EU, the Commission has requested the opinion of the European Securities and Markets Authority, the European Banking Authority and the European Insurance and Occupational Pensions Authority.
- (12) In accordance with Article 49(3b), sixth subparagraph, of Directive 2013/34/EU, the Commission has also consulted the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance established pursuant to Article 20 of Regulation (EU) 2020/852,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Delegated Regulation (EU) 2023/2772

Delegated Regulation (EU) 2023/2772 is amended as follows:

- (1) Annex I is replaced by the text set out in Annex I to this Regulation;
- (2) Annex II is replaced by the text set out in Annex II to this Regulation.

Article 2

Transitional provisions

for financial years starting between 1 January and 31 December 2026

- 1. For the financial years starting between 1 January 2026 and 31 December 2026, undertakings falling within the scope of Delegated Regulation (EU) 2023/2772 may apply either of the following:
 - (a) the sustainability reporting standards set out in Annex I to Delegated Regulation (EU) 2023/2772 as last amended by Commission Delegated Regulation (EU) 2025/1416⁸ or the sustainability reporting standards set out in Annex I to this Regulation;
 - (b) the sustainability reporting standards set out in Annex I to Delegated Regulation (EU) 2023/2772 as last amended by Commission Delegated Regulation (EU) 2025/1416 with the following reliefs as set out in Annex I to this Regulation:
 - (i) ESRS 1, paragraph 27 on the top down approach for the double materiality assessment;
 - (ii) ESRS 1 paragraphs 32-33 on undue cost and efforts and value chain limitation in the double materiality assessment;

⁷ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p 1, ELI: <http://data.europa.eu/eli/reg/2002/1606/oj>).

⁸ Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025 amending Delegated Regulation (EU) 2023/2772 as regards the postponement of the date of application of the disclosure requirements for certain undertakings (OJ L, 2025/1416, 10.11.2025, ELI: http://data.europa.eu/eli/reg_del/2025/1416/oj).

- (iii) ESRS 1 paragraphs 74-75 on new acquisitions and disposals;
 - (iv) ESRS 1 paragraph 90 on metrics for non-significant activities;
 - (v) ESRS 1 paragraph 91 on partial reporting scope of the value chain;
 - (vi) ESRS 1 paragraph 92 on joint operations;
 - (vii) ESRS 1 paragraph 106 on the presentation of Taxonomy disclosures in a separate appendix;
 - (viii) ESRS 1 paragraph 110 on the executive summary.
2. Undertakings that choose to apply the sustainability reporting standards in the version referred to in either point (a) or (b) of paragraph 1 shall clearly state in their sustainability statement which version they apply for financial years beginning between 1 January 2026 and 31 December 2026.

Article 3

Entry into force and application

This Regulation shall enter into force on [O.P.: *please insert the date = date of adoption plus 4 months plus 1 week*].

It shall apply to the financial years beginning on or after 1 January 2027.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 3.7.2026

For the Commission
The President
Ursula VON DER LEYEN