



Brussels, 19 December 2023

Mr Sven Gentner, DG FISMA
European Commission
Rue de la Loi 200
B-1049 Brussels

Subject: European Sustainability Reporting Standards (ESRS) - proposed postponement of deadlines

Dear Sven,

PwC International Ltd, on behalf of its network of member firms (PwC IL), welcomes the opportunity to provide feedback on the European Commission's (EC) initiative to postpone certain deadlines for the Commission to adopt sector-specific ESRS, and ESRS for non-EU companies.

We welcome the proposed delay, and encourage EFRAG to use the additional two years not only to focus on providing support for the implementation of ESRS 1, but also to work closely with the ISSB and GRI to deliver a single set of global sectoral standards, building on existing SASB and GRI standards and consulting extensively with stakeholders.

We do not agree with the suggestion of producing sectoral standards in a relatively short time frame for voluntary use by preparers. In our view, this would lead to preparers considering legacy SASB information, legacy GRI information, CDP information as well as preliminary European sectoral standards - and therefore would not contribute to a reduction of reporting burdens.

As described in our earlier letters¹ relating to rationalising reporting requirements, we fully support the EC's aim to reduce the corporate reporting burden and believe it is a positive move towards reducing the time and resources necessary to meet reporting requirements. In this case, we believe the postponement of certain deadlines for the Commission to adopt sector-specific ESRS and ESRS for non-EU companies would help EFRAG contribute to the objective to reduce corporate reporting requirements by 25%.

We cover our recommendations in further detail below.

Single set of global sector-specific sustainability reporting standards

In an increasingly complex global environment, consistency and comparability are vitally important for users of corporate reporting. Consistency in reporting requirements is also vitally important for preparers. It is evident both from our work with clients and our wider engagement with multinational businesses that preparers are facing significant challenges as they prepare to implement new sustainability reporting requirements. Looking ahead, companies required to report under more than one set of requirements (for example, the Corporate Sustainability Reporting Directive (CSRD) and IFRS Sustainability Disclosure Standards) will face additional challenges.

¹ PwC letters of [8 August](#), [6 October](#) and [28 November](#) 2023.



Much has been achieved to date in working towards interoperability for climate reporting requirements, between EFRAG's European Sustainability Reporting Standard (ESRS E1) and the International Sustainability Standard Board's (ISSB) sustainability disclosure standard (IFRS S2).

We propose the development of a global baseline for sector sustainability reporting; the sectoral standards developed by EFRAG, GRI and ISSB should be the same (with additional EFRAG and GRI guidance with regards to impact materiality as necessary).

In order to achieve this, and to cover both financial and impact perspectives, we understand that EFRAG, the ISSB and GRI have begun to work together on sectoral standards and we recommend that they continue to collaborate closely. Given that the ISSB is building on the SASB standards, there is an opportunity to ensure alignment between ESRS and GRI sector standards and the ISSB's sector guidance that is currently located in the SASB standards. In our view, specific requirements would initially be particularly useful for the following sectors: financial services; construction; real estate; oil and gas; and mining (we note that EFRAG has already prepared a draft on the latter two and GRI has one issued on oil and gas and others under development).

Last, as an alternative to developing sustainability reporting standards for non-EU companies, we believe that EU policymakers should actively consider the combination of GRI and IFRS sustainability standards as equivalent to the ESRS, for non-EU entities.

ESRS application guidance

In the first few years of transition to sustainability reporting, areas that preparers find challenging are likely to become apparent. New application guidance to clarify reporting requirements, or clarifications to existing guidance may become necessary.

In addition to developing aligned sectoral reporting requirements, the proposal to postpone the adoption of sectoral-specific standards provides an important opportunity for EFRAG to assist preparers with the implementation of general sustainability reporting standards and provide additional guidance as necessary.

Periods of change vs stability

Finally, and as mentioned in our previous letter², corporate reporting requirements necessarily evolve in a constantly changing world and we observe preparers embrace such change. However, a continual stream of new reporting requirements presents significant challenges for preparers and stakeholders across the reporting ecosystem. Periods of stability, without the publication of new requirements, allow preparers more time to focus on and improve their reporting. We recognise that even within more stable periods, and in order to reflect the evolving environment and/or real experience of implementing new requirements, agile improvement programmes do at times become necessary to make specific adjustments to requirements quickly.

If you would like to discuss any points that we have raised in this letter, please do not hesitate to contact me (gillian.lord@pwc.com) or Jacomien van den Hurk (jacomien.van.den.hurk@pwc.com).

² PwC letter [28 November 2023](#).



Yours sincerely,

A handwritten signature in black ink that reads 'Gilly Lord.'

Gilly Lord
Global Leader for Public Policy and Regulation

PwC IL is registered under number 60402754518-05 in the EU Transparency Register.