

BSR

Amended ESRS Delegated Acts Fact Sheet

September 2025

The Context

The 12 Amended ESRS Exposure Drafts were released on July 31, 2025.



- As part of the omnibus package, the Commission tasked EFRAG to **simplify and streamline** current ESRS standards in an effort to reduce compliance and administrative burden. EFRAG focused on six simplification levers –
 - Simplification of the Double Materiality Assessment
 - Better readability/conciseness of sustainability statements and better inclusion in corporate reporting as a whole
 - Critical modification of the relationship between Minimum Disclosure Requirements (MDRs) and topical specifications
 - Improved standards understandability, clarity and accessibility
 - Introduction of other suggested burden-reduction reliefs
 - Enhanced interoperability
- EFRAG has streamlined ESRS from 1,073 to 347 datapoints—a 68% overall reduction. Mandatory datapoints are down by 57%, and all voluntary datapoints removed.
- On July 31st EFRAG published **12 Amended ESRS Exposure Drafts** open for public consultation until the end of September 2025. EFRAG will be submitting them, including stakeholder feedback, to the European Commission at the **end of November**. The Exposure Drafts will then be shared with co-legislators for approval and publication as **delegated acts pending omnibus finalization**.

Amended ESRS Exposure Drafts | Overview (1/2)



The amended ESRS keep the core aspects of disclosures

Main proposed changes	Implications
Streamlining and reduced granularity of datapoints	<ul style="list-style-type: none"> EFRAF proposes a 68% reduction in datapoints by: <ul style="list-style-type: none"> Deleting all voluntary datapoints Streamlining duplicate disclosure requirements across topical standards (GOV, SBM and IRO DRs deleted from topical standards though the TCFD structure remains unchanged) Introducing 4 new datapoints (ESRS2 alignment with ESRS 1, E2 secondary microplastics and E5 critical and strategic raw materials, and waste with unknown final destinations) Shifting 6 voluntary datapoints into mandatory ones (E3 (total water withdrawal and discharges for own ops, E4 Transition plan and G1 training of procurement team, business conduct confirmed incidents) Clarifying “connected information” and “incorporation by reference” to limit fragmentation and repetition EFRAF consolidates most of the Application Requirements into the Non-Mandatory Illustrative Guidance (NMIG) on which companies can rely for additional guidance
ESRS 2 as a core(r) pillar	<ul style="list-style-type: none"> Minimum Disclosure Requirements (MDRs) are now General Disclosure Requirements (GDRs) “Current and anticipated financial effects” have been transferred from topical standards to ESRS 2 (except for E1 due to breakdown of physical and transition risks) <ul style="list-style-type: none"> Option 1: Both qualitative and (conditional) quantitative information Option 2: Only qualitative information EFRAF updated GDR-T to include disclosure on ecological thresholds (when relevant for environmental targets) EFRAF introduces the option to set qualitative targets EFRAF proposes to limit the disclosure about resilience now limited to qualitative data on risks
Clarification on double materiality	<ul style="list-style-type: none"> EFRAF clarifies that materiality is a general filter for disclosure and aligns the definition of materiality to that of IFRS. Information is material when omitting, misstating or obscuring that information could reasonably be expected to influence investors' decisions or affect users' ability to understand IROs. EFRAF introduces a top-down and bottom-up double materiality approach EFRAF provides guidance on the “gross vs. net” assessment of impacts with the introduction of Appendix C. Financial materiality is expected to align with internal risk management processes.

Amended ESRS Exposure Drafts | Overview (2/2)



The amended ESRS do not mandate behavior change

Main proposed changes	Implications
Increased reporting flexibility and overall shift to principle-based	<ul style="list-style-type: none"> • EFRAG proposes the option to use appendices for granular information, to publish an executive summary, report on non-material sustainability issues • EFRAG proposes the introduction of a new relief for metrics which allows for partial estimation and/or reporting of information • ESRS 1 puts emphasis on “relevance”, “fair representation” and “use of judgment”
Enhanced interoperability	<ul style="list-style-type: none"> • EFRAG increases alignment with IFRS through introduction of undue cost or effort exemption, the definition of materiality, and focus on fair representation • EFRAG allows for alignment with SASB and/or GRI sector standards for entity-specific reporting • EFRAG increases harmonization with GHG Protocol on reporting boundary for GHG emissions (financial control)
Simplification of value chain reporting	<ul style="list-style-type: none"> • In line with the proposed legal limit of the value chain cap, EFRAG clarifies that value chain information is to be disclosed based on reasonable and supportable information without undue cost and effort emphasizing the use of estimates, sector-average information, proxies, etc.
ESRS E1 amendments	<ul style="list-style-type: none"> • In line with IFRS S2, information about dependencies on which the transition plan relies are now required into climate transition plans. • The option to provide target validation to explain how targets are compatible with 1.5C is now included, acknowledging companies who have been applying SBTi and have had their targets validated
ESRS S1 amendments	<ul style="list-style-type: none"> • EFRAG proposes 3 main changes to S1 disclosure requirements <ul style="list-style-type: none"> ○ Amended threshold to disaggregate metrics related to characteristics of the undertaking’s employees, collective bargaining coverage and social dialogue in the European Economic Area (from “at least 50 employees by head count representing at least 10% of the total number of employees” to “top 10 largest countries by employee headcount, to the extent that there are more than 50 employees in those countries”) ○ Amended methodology to calculate non-EU adequate wages ○ Deletion of adjusted gender pay gap datapoint



BSR's Point of View | Amended ESRS Exposure Drafts

On July 31, EFRAG published the [revised and simplified exposure drafts](#) for public consultation until end September 2025. Read more on BSR's point of view [here](#).

- Overall, BSR welcomes the aimed **simplification which reduces duplication of information** and fosters greater alignment with a **principle-based** approach. The amended ESRS exposure drafts are more **concise, using simpler language**, with **ESRS 2 streamlining requirements** across topical standards. This should help relieve excessive compliance burdens on companies.
- While the **granularity of datapoints has been reduced**, BSR observes that the **essence of the disclosure requirements remains** unchanged. **Best practice in the market will compensate the decrease in granularity and continue to drive behavior change**.
- BSR supports EFRAG's decision to **keep value chain reporting beyond tier 1**. Comprehensive value chain insights are critical for capturing real impacts. We also acknowledge that this may create some misalignment with CSDDD requirements.
- BSR welcomes **enhanced interoperability with international standards** including IFRS, GHG Protocol, GRI, SBTi etc. to increase reporting efficiencies and reduce costs.
- BSR **supports the introduction of “undue cost and effort” exemption** to align with similar relief available under IFRS enabling interoperability among requirements and greater practical consistency for business.
- BSR appreciates the **focus on data quality** through implementation of **relief for metrics**. However, we are concerned that **incomplete metrics** may **impact comparability and usefulness of data** and **reduce the incentive to continuously increase data quality**.
- **BSR believes further edits to the ESRS are essential**. The **DMA framework** introduces flexibility, but **without clearer guidance it risks inconsistency**. The treatment of **net versus gross**, the lack of consistent **threshold-setting** across topics may reduce comparability and credibility, especially in areas where companies adopt different methodologies.
- BSR welcome the efforts to **position the ESRS as the “glue” between the EU’s broader Green Deal legislative framework**.

Actions for Business to Maintain Momentum on Sustainability



We believe that companies should stay focused on the core elements of the European regulatory framework, and **leverage the opportunity** to cement a strategic, enterprise-wide approach that delivers value and resilience.



Continue the important momentum of leveraging regulations to build long-term business value

Companies under the EU framework have a head start in resilience and innovation to stay competitive in a fast-changing world.



Implement robust risk-based due diligence in line with the OECD Guidelines and UNGPs to help focus attention and resources where the most severe impacts are and prepare for current and future stakeholder demands.



Maintain current cross-company and governance upskilling

up to the board of directors on human rights and environmental issues tied to long-term business strategy.



Use foresight to navigate current uncertainty and look to the long-term. Companies should use scenario planning, simulations, and foresight tools at the management and board level to stay focused on business value in uncertainty.



Pursue double materiality despite Omnibus delays to understand impact, risks, and opportunities material to the business

Double materiality helps companies assess IROs and enhance governance for long-term value.



Continue to invest in climate transition plans, including credible implementation

These enhance business resilience, create energy transition opportunities, and meet stakeholder expectations.



Engage stakeholders across the value chain proactively, not reactively

Map your value chain, assess risks, and engage stakeholders to build resilience aligned with business needs.



Anticipate growing product sustainability related requirements alongside reporting and due diligence

E.g. Ecodesign for Sustainable Products Regulation, Packaging and Packaging Waste Regulation, EU Deforestation Regulation



BSR can help your business meet existing and emerging sustainability regulations

New sustainability regulations are expanding and intensifying across the globe. Though these regulations can feel onerous, approached pragmatically they present an opportunity to more deeply integrate sustainability across your business and facilitate data driven performance improvement.

BSR supports our members to:

- **Understand what the regulatory requirements mean** and how they relate to your business.
- **Design customized due diligence and reporting approaches** that meet the letter and the spirit of the law in a way that is right for your business.
- **Develop robust targets, KPIs, action plans, and governance structures** that drive progress across the value chain.
- **Deepen critical relationships** with internal and external stakeholders.
- **Connect and collaborate with peers and practitioners to stay ahead** in a world where "best practice" approaches are rapidly evolving.

Our Service Offerings



Capacity building:

- Board / C-suite engagement and training
- Cross-functional upskilling
- Stakeholder mapping and engagement



Identifying and managing impacts, risks and opportunities:

- Human rights and environmental risk assessments to identify adverse impacts
- Climate risk assessments, scenario analyses and futures thinking
- Roadmaps and action plans to cease, prevent or mitigate adverse impacts
- Management systems design to track implementation and results



Strategy, governance and reporting :

- Double materiality assessments
- Strategy development and goal setting
- Governance design and policy development
- Due diligence gap analyses: CSDDD, EUDR, EUFL
- Reporting gap analyses and disclosure strategies (voluntary or mandatory: CSRD, ESRS, IFRS, state and country levels).

Thank You

BSR® is a sustainable business network and consultancy focused on creating a world in which all people can thrive on a healthy planet. With offices in Asia, Europe, and North America, BSR provides its 300+ member companies with insight, advice, and collaborative initiatives to help them see a changing world more clearly, create long-term value, and scale impact.

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