

3 June 2026

Re: European Commission Consultation on Draft Delegated Acts on Revised ESRS and Sustainability Reporting Standard for Voluntary Use

Dear European Commission,

OIC is pleased to have the opportunity to provide its comments on European Commission's consultation on Draft Delegated Acts on Revised ESRS and Sustainability Reporting Standard for Voluntary Use.

OIC welcomes European Commission's modifications to EFRAG's revised technical advice in order to facilitating the application of ESRS by clarifying certain provisions and including additional provisions to help stakeholders having greater flexibility in reporting sustainability information.

Nevertheless, attention is drawn to the following aspects of Revised ESRS and Voluntary Standard:

- **Fair presentation:** we welcome the clarification provided in paragraph 21 of ESRS 1, according to which compliance with ESRS is deemed to result in a fair presentation. Although it has been clarified that, in assessing materiality, the undertaking is required to provide decision-useful information that groups of users need, without aiming to meet all the specific information needs of each individual user, the scope of information to be disclosed would remain overly broad, as it should also include entity-specific information, largely of a sectoral nature. Therefore, as previously stated in past consultations, we suggest limiting entity-specific information strictly to when they are financially material (i.e. when such information is useful to enable primary users to make informed decisions).
- **Informed assessment:** the concept of "informed assessment" in paragraph 23(b) and its new definition in paragraph AR 8 of ESRS 1 remain ambiguous, failing to clarify the specific information needs of "other users". Therefore, we suggest clarifying what other users' information needs are, deleting the reference to "informed assessment" in paragraph 23(b) and removing paragraph AR 8 entirely.
- **Anticipated financial effects:** without prejudice to the concerns expressed in the past EFRAG consultation on revised ESRS, we suggest postponing the phase-in regarding the omission of qualitative and quantitative information on anticipated financial effects at least until appropriate methodologies for quantifying such effects have been developed in cooperation with the EFRAG Financial Reporting Board and the IFRS Foundation.
This is because providing qualitative disclosures without a supporting quantitative basis remains highly challenging. Furthermore, where underlying data lack sufficient

reliability, mandatory qualitative disclosures could result in information that is less consistent, more subjective and therefore reducing the decision-usefulness for users.

- **Not material information:** the new paragraph 24 of ESRS 1 clarifies that “*the undertaking shall not disclose information prescribed by an ESRS DR or datapoint if that information is not material and shall not disclose information that is not material when disclosing entity-specific information in accordance with paragraph 11.*” However, paragraphs 107-109 of ESRS 1 continue to allow the presentation of “other not-material information” creating a potential inconsistency within ESRS and conflicting with the objective of sustainability statement in paragraph 3 of ESRS 1. Given that such information is not material and therefore, by its nature, not decision-useful to users, we suggest removing the exemption in paragraphs 107-109 of ESRS 1. Applying ESRS, any other useful information should be reported as entity-specific information only when it qualifies as material.
- **Reliefs:** we appreciate the confirmation of relief provisions without time limits. From a technical point of view, there is no reason not to extend the relief referred to in paragraph 91 to GHG emissions as well, considering that Scope 3 is among the most challenging metrics to report, as it includes indirect emissions generated along the value chain.
Moreover, it could be useful that the European Commission or EFRAG monitor the application of the standards over time, in order to ensure that the use of such reliefs does not compromise the quality of the information disclosed.
- **Asset Management Activities:** with reference to the application requirement for asset management activities (AR 17 for paragraph 37 of ESRS 1), we suggest providing further clarifications and illustrative examples on the cases effectively excluded, as well as specifying that the provision applies to both individual and collective asset management.
- **GHG Boundary:** we welcome the flexibility for the GHG emissions boundary in paragraph AR 19 of ESRS E1 as already suggested in the past consultation. In addition, we suggest clarifying the meaning of “other emissions” introduced in DR E1-8, paragraph 30(c)(ii). For example, it is not clear which emissions should be included in other emissions if the company adopts the financial control method.
- **Human Rights Incidents:** although the new provision in paragraph AR 36 of ESRS S1 refers to substantiated cases, its connection with the notion of “ongoing” proceedings is inconsistent. Therefore, we propose limiting this disclosure strictly to cases in which the company's liability has been definitively established.
- **Substance of concerns (SOCs) and Substance of very high concerns (SVHCs):** measuring the quantity of SVHCs/SOCs and tracking their trends over time is highly complex to consolidate. This is especially true for SOC, as they are not clearly identified creating a significant risk of double counting. Therefore, we suggest removing the disclosure requirements on SOC and limiting SVHC reporting strictly to qualitative information.

- Voluntary Standard: given that the scope of companies eligible to apply the voluntary standard has been significantly expanded by the Omnibus Directive, it would be appropriate to verify whether the Voluntary Standard is able to satisfy the information needs of users on the one hand, and the communication needs of preparers of different sizes on the other.

In light of the experience arising from the first years of application of the standard we suggest considering a future review of the standard, in line with Article 29ca(3) of Directive 2026/470, which provides as follows: *The Commission shall, at least every four years after the date of their application, review the sustainability reporting standards for voluntary use referred to in paragraph 1 and, where necessary, it shall amend them to take into account developments relevant to sustainability reporting.*

With regard to the simplifications granted to companies with up to 10 employees, it could be envisaged to extend this threshold to small enterprises (up to 50 employees). Given their limited level of administrative structure, these companies are likely to have similar challenges in producing quantitative information. In this context, the reference in Article 2 of the draft EC delegated act to the "practical guidance" developed by EFRAG on VSME is highly welcomed.

As a counterbalance, we suggest considering the possibility to classify as "necessary" the disclosure of information on energy consumption and Scope 1 and Scope 2 emissions (B3 Energy and GHG emissions), given that this represents an important information of the sustainability report.

In case you wish to discuss these issues further, please do not hesitate to contact us.

Yours sincerely,

Michele Pizzo

President of Board of Directors

