

Response to the EFRAG call for public feedback on the simplification of ESRS

May 15, 2025

As environmental scientists engaged in sustainability reporting, we see the ESRS as a crucial step toward integrating sustainability into corporate accountability. Its value lies in making environmental impacts visible and credibly disclosed—critical for tracking progress against climate and nature targets and for robust risk assessment.

We note two critical concerns that we urge the simplification to address:

- (i) the excessive volume and complexity of E1-5, and
- (ii) the subjectivity introduced as companies self-identify financially material environmental impacts, which risks inconsistency and weak comparability.

We recommend a science-based, sector-specific baseline for identification of material sector-specific material topics to guide disclosures and ensure data quality.

A science-based methodology would ensure companies disclose core environmental impact data points (DPs) consistent across a sector, regardless of firm-level financial materiality. This would result in data generation that is material to truly understand environmental impacts. This data is instrumental for reliable risk assessment by financial institutions but can also serve an important information source for public agencies and the scientific community – both important end users and stakeholders providing scrutiny of corporate environmental performance and state-of-the-art analysis of state of nature.

The scientific community we represent has concrete suggestions for how this can be done in an efficient and scientifically anchored way by using academically vetted and sector-specific environmental impacts of top priority. For more specific suggestions, we refer readers to the brief “Staying Green” downloadable at: <https://finbio.org/>

Prioritizing **scientifically relevant topics would reduce burden** while **strengthening the credibility and usefulness of the data generated by ESRS**. It would also enable SME to compliance. Such an expanded scope would make the ESRS both effective and efficient.

Find out more about the science behind [here](#).

Read the [open letter](#) to the European Commission supported by scholars from both environmental science and accounting across Europe

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Professor Garry Peterson, Director of the Mistra Finance to Revive Biodiversity Program.