

Press Release | 09 December 2025

BETTER FINANCE Welcomes Simplified EU Sustainability Standards, with a Note of Caution

BETTER FINANCE welcomes the submission of [EFRAG's revised European Sustainability Reporting Standards \(ESRS\)](#) to the European Commission as part of the EU's drive to simplify sustainability reporting. The amended standards cut mandatory datapoints by 61% and introduce new flexibilities intended to reduce administrative burden for companies.

Clearer reporting that benefits individual investors

For individual investors, represented by BETTER FINANCE, the streamlined structure brings real advantages. Sustainability statements should become shorter, easier to navigate, and more focused on what matters. Key policies and governance disclosures are now consolidated in ESRS 2, making reports less repetitive and more accessible. Greater alignment with international standards also supports consistency for companies operating across borders.

"Individual investors strongly welcome efforts to make sustainability reports easier to navigate." said Mariyan Nikolov, BETTER FINANCE's representative to EFRAG's Sustainability Reporting Board.

But simplicity must not weaken transparency

While BETTER FINANCE supports simplification efforts, it approved the revised standards with several reservations. The introduction of open-ended reliefs, combined with long phase-ins risks delaying essential information for investors and undermining comparability between companies. The removal of some important mandatory disclosures and greater discretion given to management may lead to gaps where material information is not reported, or reporting practices becomes uneven among similar firms. Simpler reporting must not be vague!

The European Commission must keep a critical safeguard: fair presentation

BETTER FINANCE underscores that some improvements are essential for the European Commission to preserve in the final delegated act. Chief among them is the strengthened fair presentation principle, which requires companies to provide a faithful, balanced, and entity-specific picture of their sustainability performance. This safeguard is vital in a framework with fewer datapoints and expanded reliefs,

Contact

Arnaud Houdmont | Director of Communications
houdmont@betterfinance.eu

Rue d'Arenberg 44, 1000
+32 2 514 37 77
betterfinance.eu

helping ensure that simplification does not obscure material information and that disclosures remain credible and decision-useful for investors.

A call for balance

“BETTER FINANCE fully supports efforts to streamline reporting and avoid placing unnecessary burdens on companies, but open-ended reliefs must not come at the expense of decision-critical information for investors. Strong and effective standards ultimately benefit both businesses and the investors who place their trust in them,” said Mariyan Nikolov.

As the European Commission reviews EFRAG's technical advice, BETTER FINANCE urges policymakers to protect the gains of simplification while safeguarding the reliability, comparability, and usefulness of EU sustainability reporting.