

Maria Luís Albuquerque
Commissioner for Financial Services and the
Savings and Investments Union
European Commission
Rue de la Loi 200

Brussels, 22 June 2026

Subject: BETTER FINANCE observations on the delegated act vis-à-vis the amended European Sustainability Reporting Standards (ESRS)

Dear Commissioner Albuquerque,

I am writing to you in my capacity as Managing Director of BETTER FINANCE, the European Federation of Investors and Financial Services Users. We are the EU-level public interest non-governmental organisation dedicated to advocating for the interests and defending the rights of individual and small shareholders, fund investors, savers, pension fund participants, life insurance policy holders, borrowers, and other financial services users.

As an independent financial expertise centre to the direct benefit of European financial services users, BETTER FINANCE through its member organisations is the European-level dedicated representative organisation of the millions of individual investors in Europe and thereby a key end-user of sustainability disclosures under the European Sustainability Reporting Standards (ESRS). Since sustainability reporting is one of our core areas of interest, BETTER FINANCE welcomes the opportunity to provide observations on the delegated act vis-à-vis the amended European Sustainability Reporting Standards (ESRS).

Executive Summary

EFRAG's final technical advice in November 2025¹ already represented a substantial simplification exercise, significantly reducing the volume of reporting datapoints while seeking to preserve the information most relevant for users and investors. BETTER FINANCE welcomes the retention of core principles such as **fair presentation and double materiality**.² These principles are fundamental to ensuring sustainability information remains meaningful, understandable and decision-useful for investors. Preserving a coherent disclosure architecture also avoids fragmentation and contributes to maintaining a framework that users can effectively navigate and interpret. At the same time, we are concerned that certain further changes introduced in the delegated act risk reducing transparency and comparability in ways that may negatively affect end users and investors. In particular, BETTER FINANCE would like to draw attention to the following points:

- Financial institutions and investment transparency

The **new exemption excluding investments managed on behalf of clients** from the scope of sustainability reporting obligations for certain financial institutions and investment companies is concerning.³ This could affect a substantial share of investment companies, including entities operating within larger financial groups. Combined with parallel proposals under the Sustainable Finance Disclosure Regulation concerning entity-level reporting, these changes risk significantly reducing transparency across parts of the investment sector.

Moreover, these changes appear difficult to reconcile with observations made by European supervisory authorities.⁴ The EBA highlighted the importance of ensuring meaningful disclosures for financial sector entities whose impacts and risks are often concentrated within their value chains. Similarly, the ECB called for sufficient transparency regarding financial assets and products to ensure that material climate and nature-related risks remain visible and assessable.

- Cumulative effects on reporting consistency and comparability

In this context, we note several additional amendments which may merit further consideration.⁵ While many of these changes may appear proportionate when viewed individually, their cumulative effect could have broader implications for the availability, consistency and comparability of sustainability information over the

¹ [EFRAG's technical advice to the European Commission regarding Amended European Sustainability Reporting Standards \(Amended ESRS\) 2025](#)

² The concept of 'fair presentation' is also used in the ISSB standards to mean a complete set of sustainability-related financial disclosures that present fairly all sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects. The CSRD incorporates the concept of 'double materiality'. This means that companies have to report not only on how sustainability issues might create financial risks for the company (financial materiality), but also on the company's own impacts on people and the environment (impact materiality).

³ Contrary to the EFRAG technical advice, the EU Commission introduced a new exemption in the draft Delegated Regulation that excludes from the scope of sustainability reporting investments managed by the financial institutions and investment companies on behalf of their clients. This exclusion affects most asset managers.

⁴ [Opinion of the European Banking Authority on the draft simplified European Sustainability Reporting Standards \(ESRS\) 2026](#); [Opinion of the European Securities and Markets Authority on EFRAG's technical advice ESRS 2026](#)

⁵ Commission Delegated Regulation amending Delegated Regulation (EU) 2023/2772 as regards the simplification of certain sustainability reporting standards

short and medium term. The combined use of **reliefs, phase-ins, methodological flexibilities and exemptions** may create diverging reporting practices across undertakings and sectors, potentially reducing the coherence of disclosures.

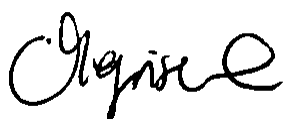
- Ensuring simplification benefits both companies and end users

BETTER FINANCE supports the objective of simplifying sustainability reporting requirements and strengthening the competitiveness of European companies.⁶ However, simplification should remain balanced and should not inadvertently reduce the quality, comparability or usability of information relied upon by investors and other end users. From an investor perspective, simplification should reduce unnecessary reporting burdens while preserving information that enables informed decision-making and confidence in markets. It is equally important that sustainability disclosures remain sufficiently understandable and navigable for individual investors, who ultimately rely on this information when assessing long-term risks and opportunities. Achieving an appropriate balance remains particularly important where disclosures concern key climate metrics, forward-looking information and transition-related data which increasingly support capital allocation, stewardship and long-term investment decisions.

BETTER FINANCE remains supportive of proportionate simplification efforts and the broader objective of strengthening the competitiveness of European companies. At the same time, we believe it remains important to preserve the transparency, comparability and decision-usefulness of sustainability information increasingly relied upon by investors and financial services users.

We remain available to discuss these observations further and would welcome continued engagement in ensuring that the revised ESRS maintain an appropriate balance between simplification objectives and the information needs of end users and investors.

Yours sincerely,



Aleksandra Mączyńska,

Managing Director, BETTER FINANCE

⁶ [Cost-benefit analysis on draft amended ESRS 2025](#)