

Commissioner Mairead McGuinness  
The European Commission  
Rue de la Loi 200  
B-1049 Brussels  
Belgium

Brussels, 8 May 2023

Dear Commissioner McGuinness,

In the context of the development of the European Sustainability Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD), the American Chamber of Commerce to the European Union (AmCham EU) welcomes President von der Leyen's announcement that the European Commission would seek *'to put forward concrete proposals to simplify reporting requirements and in fact to reduce them by 25%.'*<sup>1</sup> The Commission has a unique opportunity to act on this announcement now in the area of sustainability reporting and should do so without delay.

American businesses support regulatory efforts to provide a reliable framework for companies to report on sustainability and the objectives of sustainability reporting in line with the EU's ambitious climate targets. However, the anticipated complexity and detail of the draft ESRS present a significant and new challenge.

The European Financial Reporting Advisory Group's (EFRAG) efforts to address comment letters received during the summer 2022 consultation on the exposure drafts are a positive step. EFRAG noted in its Due Process Note accompanying the draft ESRS that *'the number of D[isclosure] R[equirement]s has been reduced from 136 to 82 (-40%) and the number of datapoints has been substantially halved.'*<sup>2</sup> However, further reducing and streamlining the volume of disclosure requirements, in line with President von der Leyen's announcement, would facilitate the successful implementation of the ESRS in practice.

Likewise, the Commission's request to EFRAG *'to prioritise its efforts on that first set of horizontal standards over preparatory work for the sector standards'* and *'to focus attention on providing additional guidance for companies to apply the first set of horizontal standards'*<sup>3</sup> would be beneficial. The draft transversal ESRS, as proposed by EFRAG, still amount to a significant reporting burden for a very broad range of companies. Rather than proposing reductions later, the Commission should use

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<sup>1</sup> Speech by President von der Leyen at the European Parliament Plenary on the preparation of the European Council meeting of 23-24 March 2023, 15 March 2023 – [Link](#).

<sup>2</sup> EFRAG, Draft European Reporting Standards, Due Process Note, 23 November 2022 – [Link](#).

<sup>3</sup> Speech by Commissioner McGuinness, 21 March 2023 – [Link](#).

the opportunity in the Delegated Act to alleviate the ESRS reporting burden now by further limiting mandatory requirements, reducing granularity and extending phase-ins.

In line with AmCham EU's longstanding position, businesses need harmonisation and international interoperability by aligning, where possible, the ESRS with the global baseline under development by the International Sustainability Standards Board (ISSB). Although the ESRS are specific to the EU context and cannot fully align with international standards, international convergence would provide more comparable and therefore more meaningful information to stakeholders like international investors, while significantly reducing costs and lightening companies' administrative burden. Further alignment, where possible, of the ESRS with emerging international standards such as the ISSB would represent a significant step towards achieving the laudable objective announced by President von der Leyen of reducing and simplifying EU reporting requirements by 25%.

Finally, in light of the ongoing negotiations on the proposed Directive on Corporate Sustainability Due Diligence (CS3D), the Commission should ensure that obligations which companies may face under the CS3D are workable in practice and not inconsistent with the CSRD. More information about industry's concerns on this subject is outlined in AmCham's letter to you from 2 March.<sup>4</sup>

In anticipation of the expected consultation on the ESRS Delegated Acts, the views expressed in AmCham EU's response to EFRAG's consultation in 2022 continue to be relevant.<sup>5</sup> The American business community stands ready to provide concrete and detailed proposals for the Commission and looks forward to contributing to the consultation.

Yours sincerely,

AmCham EU

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<sup>4</sup> AmCham EU Letter to Commissioner McGuinness on CS3D, 2 March 2023 – [Link](#).

<sup>5</sup> AmCham EU Consultation Response to Draft ESRS, 8 August 2022 – [Link](#).