



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL
MARKETS UNION

Director-General

Brussels
FISMA.C.1/GB/rv/(2022)9029000

Ms Petra Hielkema
Chairperson
European Insurance and
Occupational Pensions Authority
Westhafen Tower, Westhafenpl. 1
60327 Frankfurt am Main
Germany

Dear Ms Hielkema,

On 21 June 2022, the Council and European Parliament reached a political agreement on the Corporate Sustainability Reporting Directive (CSRD) ⁽¹⁾, which amends the Accounting Directive ⁽²⁾ by revising and strengthening the provisions introduced by the Non-Financial Reporting Directive ⁽³⁾.

The CSRD - whose final text we understand is scheduled to be published in the Official Journal by the end of this year - requires certain categories of undertakings to report sustainability-related information in accordance with European Sustainability Reporting Standards (ESRS).

Article 29b of the Accounting Directive, as amended by the CSRD, empowers the Commission to adopt these ESRS as delegated acts taking account of the technical advice of EFRAG ⁽⁴⁾ and after having consulted the Member States and certain Union bodies identified in the Directive ⁽⁵⁾. In particular, it requires the Commission to adopt, by 30 June 2023, a first set of ESRS specifying the information that undertakings are to report

⁽¹⁾ Proposal for a Directive of the European Parliament and of the Council amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation (EU) No 537/2014, as regards corporate sustainability reporting (COM/2021/189 final).

⁽²⁾ Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings.

⁽³⁾ Directive 2014/95/EU amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

⁽⁴⁾ Art. 49(3b) of the Accounting Directive, as amended by the CSRD, specifies the requirements to be met by EFRAG technical advice.

⁽⁵⁾ Art. 49(3b) of the Accounting Directive, as amended by the CSRD, requires the Commission to consult jointly the Member State Expert Group on Sustainable Finance and the Accounting Regulatory Committee. The Commission is also to request the opinion of ESMA, EBA, and EIOPA, and to consult the European Environment Agency, the European Union Agency for Fundamental Rights, the European Central Bank, the Committee of European Auditing Oversight Bodies and the Platform on Sustainable Finance.

in accordance with Article 19a(1) and (2), and Article 29a(1) and (2) of this Directive, and including at least the information that financial market participants need to comply with the disclosure obligations of Regulation (EU) 2019/2088 ⁽⁶⁾.

On 23 November 2022, EFRAG published its technical advice (available at <https://www.efrag.org/lab6>) for the first set of ESRS, which includes cross-cutting standards and standards for all ESG matters, accompanied by a cost-benefit analysis and an explanation of how the draft ESRS take account of the elements listed in Article 29b(5) of the Accounting Directive, as amended by the CSRD ⁽⁷⁾.

In order for the Commission to be able to adopt this first set of ESRS by 30 June 2023, and in line with Article 49(3b) of the Accounting Directive as amended by the CSRD, **we kindly request your opinion on the draft ESRS developed by EFRAG, in particular with regard to its consistency with Regulation (EU) 2019/2088 and the delegated acts adopted pursuant to that Regulation. Please submit your opinion to FISMA-CSRD@ec.europa.eu. In accordance with the provisions of the CSRD, your opinion should be submitted within 2 months from the date of this letter.**

I thank you again for your cooperation on this important new initiative. Please do not hesitate to contact Thomas Dodd (Thomas.Dodd@ec.europa.eu) or Giulia Bottazzi (Giulia.Bottazzi@ec.europa.eu) for any further clarifications that may be necessary during the course of this work.

Yours faithfully,

Electronically signed

John BERRIGAN

Enclosure: draft Commission Delegated Regulation (EU) .../... of XXX supplementing Directive XX/XXX/EU of the European Parliament and of the Council as regards sustainability reporting standards.

⁽⁶⁾ Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR).

⁽⁷⁾ Article 29b(5) of the Accounting Directive, as amended by the CSRD, requires the Commission, when adopting the sustainability reporting standards, to take account of the global standard-setting initiatives, standards and framework for sustainability reporting, and of certain existing Union legislation.