

ESRS Set 1 Revision

A public consultation issued by EFRAG
Comments from ACCA to EFRAG

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About ACCA:

We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide.

Founded in 1904 to widen access to the accountancy profession, we've long championed inclusion and today proudly support a diverse community of over 252,500 members and 526,000 future members in 180 countries.

Our forward-looking qualifications, continuous learning and insights are respected and valued by employers in every sector. They equip individuals with the business and finance expertise and ethical judgment to create, protect, and report the sustainable value delivered by organisations and economies.

Guided by our purpose and values, our vision is to develop the accountancy profession the world needs. Partnering with policymakers, standard setters, the donor community, educators and other accountancy bodies, we're strengthening and building a profession that drives a sustainable future for all.

Find out more at: www.accaglobal.com

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ACCA welcomes the opportunity to respond to EFRAG's public call for input on the ESRS Set 1 revision. ACCA has also contributed to the response made by Accountancy Europe.

We commend EFRAG's call for input on the ESRS Set 1 revision as it provides the opportunity to gather practical insights from preparers and users, and others. In considering the feedback and simplifying the ESRS Set 1, we encourage EFRAG to further maximise alignment with the IFRS Sustainability Disclosure Standards and focus on the provision of decision-useful information.

Alignment with the IFRS Sustainability Disclosure Standards

We urge EFRAG to use the revisions as an opportunity to further align with the IFRS Sustainability Disclosure Standards, to the maximum extent possible. The alignment between the ESRS and the IFRS Sustainability Disclosure Standards is fundamental to the consistency and comparability of reporting around the world, and to the usefulness of information to stakeholders. It is also important to minimise the compliance and cost burden for those businesses that may need to comply with both sets of standards.

ACCA has consistently advocated for a global approach to the development of sustainability disclosure standards, and we fully support the role of the ISSB in setting a consistent and comparable global baseline to sustainability reporting around the world. At the same time, we recognise that Europe's Green Deal may necessitate some further requirements. However, there is significant scope for ESRS and IFRS Sustainability Disclosure Standards to be more aligned and we request that this is considered as part of the ESRS Set 1 revision process.

As a minimum, the revised ESRS should not reduce the current level of interoperability with the IFRS Sustainability Disclosure Standards as this would result in further fragmentation, risking inter-jurisdictional diversity in practice, reducing global comparability and resulting in increased reporting burdens.

Simplification of the Standards

When considering the ESRS Set 1 revisions, we urge you to balance and prioritise the reporting of information that is relevant and **decision useful**. In practice, this means useful, firstly, to primary users making decisions about providing resources to the organisation, and then to satisfy other stakeholders' needs.

It is important to weigh the decision-usefulness of information to the intended audience against the effort required to report it. Burdening reporting entities with overly prescriptive reporting

requirements may be at the cost of them progressing towards more sustainable business models.

We believe that global standards and frameworks need to: be principles-based and developed with proportionality in mind to allow for some **flexibility in** their requirements, to meet the unique needs and circumstances of various organisations and their stakeholders in various jurisdictions.

Care is also needed to determine the appropriate level of **granularity** for information used in reporting. Certain granular information may serve only niche groups of users, while being potentially beyond the needs of the majority of primary users of general purpose financial reports. We encourage you to consider this when developing the ESRS Set 1 revisions.

Our [Principles of Good Corporate Reporting](#) provides further insights for policymakers, standard-setters and regulators on sustainability reporting.