
Feedback on the Amended ESRS Exposure Draft (Set 1)

September 10th 2025

Dear Mrs. Chiara Del Prete,

We write on behalf of B Lab, the Sustainable Banking Coalition, Global Alliance for Banking on Values (GABV) and FEBEA (the European Federation of Ethical and Alternative Banks and Financiers).

B Lab mobilises the global B Corp movement, now comprising over **10,000 certified companies** across sectors and geographies, many of them SMEs that depend on clear and proportionate sustainability standards to demonstrate their impact.

The **Sustainable Banking Coalition** unites **progressive banks and financial institutions** committed to financing the transition to a just and sustainable economy.

FEBEA represents a network of **ethical and alternative banks and financiers** across Europe who channel investment towards social enterprises, cooperatives, and initiatives that promote ecological and social wellbeing.

GABV is a network of 70+ values-based financial institutions in 45 countries, working to transform the banking system and finance positive economic, social, and environmental impact.

Collectively, we represent a broad community of purpose-driven enterprises and financial institutions committed to aligning business and finance with the long-term wellbeing of people and the planet. Our members and stakeholders rely on high-quality sustainability reporting standards as a foundation for mobilising capital towards companies that contribute to the European Green Deal. The information generated through ESRS is therefore not only a compliance exercise but a practical instrument: enterprises use it to benchmark and improve their performance, and investors use it to identify and direct capital towards genuinely sustainable businesses.

We welcome and support the revised Set 1 of ESRS, recognising that the significant 66% reduction in data points responds to the current imperative for simplification and proportionality. At the same time, **we urge EFRAG not to reduce the requirements further. The revised Set 1 already stands at the threshold of what is needed to fulfil its purpose under the Green Deal:** to reorient private financial flows towards sustainable companies, investors require robust, consistent, and comparable information. In that sense, we also wish to raise a concern regarding

the extensive use of reliefs. As noted by recent analyses, the proliferation of exemptions and transitional measures may weaken the consistency of disclosures.¹

Overall, however, we are encouraged by the balance that has been struck in this revision, and **we remain supportive of EFRAG's leadership in advancing a baseline for sustainability reporting.** This is precisely why we caution that any further reductions in requirements would undermine the system's effectiveness and its capacity to deliver on the objectives of the European Green Deal.

Yours sincerely,

Carlota de Paula Coelho, B Lab

Martin Rohner, Executive Director of the Global Alliance for Banking on Values

Daniel Sorrosal, Secretary-General of FEBEA

Cornelius Müller, Sustainable Banking Coalition



¹ For example, Chapter 7.4 introduces reliefs that permit companies to omit data from metrics if collecting such data would entail "undue cost or effort" (Paragraph 92). This provision is overly permissive as it lacks a requirement for progressive improvement or a defined timeline for eventual compliance, and applies even to core ESRS metrics such as workforce, pollution, water, or biodiversity impacts. Likewise, Paragraph 93 allows indefinite exclusion of data from joint operations where the entity lacks operational control, despite the fact that such data is often obtainable through financial control or influence. These provisions risk undermining faithful representation and the decision usefulness of disclosures.