



3 June 2026

Mr Sven Gentner
European Commission
Rue de la Loi 200
1049 Brussels

Subject: PwC response letter to the European Commission's draft Delegated Regulation amending Delegated Regulation (EU) 2023/2773 regarding revised European Sustainability Reporting standards (ESRS Delegated Act)

Dear Sven,

PwC International Limited (PwC)¹, on behalf of the PwC network, appreciates the opportunity to provide feedback on the Commission's proposed amendments to the ESRS Delegated Act. We commend the Commission's continued effort to simplify ESRS. We recognise the commitment of the Commission and EFRAG to this effort, which has resulted in a set of high-quality standards.

We appreciate that the changes made to ESRS build on feedback from stakeholders received through the due process followed by the Commission and EFRAG, and we believe the proposed amendments are fit for purpose. In particular, the amendments made to the double materiality assessment provisions simplify the overall guidance, allowing entities to identify material impacts, risks, and opportunities (IROs) in a proportionate manner while retaining the fundamental aspects of the assessment. We believe the simplified guidance will result in entities providing decision-useful information about their IROs to primary and other users.

We also support the approach taken to provide phase-in provisions to 'wave 2' entities. This will allow those entities sufficient time to build processes and controls to report on the relevant datapoints.

Additionally, we welcome the progress made in improving interoperability between ESRS and the IFRS Sustainability Disclosure Standards. Many entities, however, may still be required to produce reports in accordance with different global sustainability reporting standards and frameworks, as a result of requirements in the territories in which they operate. We encourage the Commission to advocate for equivalency and mutual recognition of sustainability reporting prepared for different global regulatory regimes.

¹ The PwC network consists of firms which are separate legal entities. The firms that make up the network are committed to working together to provide quality service offerings for clients throughout the world. Firms in the PwC network are members in, or have other connections to, PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to facilitate coordination between member firms in the PwC network. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions.

Through equivalency and ‘passporting’—allowing entities to benefit from a single reporting mechanism—the reporting burden for companies could be further substantially reduced.

We appreciate the Commission’s efforts to complete this simplification process in a timely manner and we encourage the Commission to issue the final delegated act as soon as possible. Timely issuance will allow companies to adequately prepare for reporting under the revised ESRS. We acknowledge that prompt issuance means that the Commission has only a short period of time to consider feedback received from stakeholders. We therefore encourage the Commission to consider any non-critical or non-fatal comments that cannot be addressed in this expedited timeframe during the ESRS Delegated Act review process in three years’ time, along with any challenges that emerge during application of the revised ESRS.

In this context, we encourage the Commission to address the following three areas prior to the issuance of the ESRS Delegated Act. Such updates would reduce interpretation challenges and support the Commission’s objective to improve clarity and simplify sustainability reporting.

- Provide additional guidance on the relief related to investments subject to a fiduciary duty
- Adjust guidance on the use of phase-in provisions for entities reporting voluntarily under ESRS
- Extend the relief related to intensity targets set for Scope 3 Category 15 to all industries

Please refer to the attached appendix for our detailed comments on each of these areas.

We remain at the Commission's disposal for any follow-up discussions.

If you have any questions regarding our response, please contact me (eric.clarke@pwc.com), Peter Flick (peter.flick@pwc.com), or Olivier Schérer (olivier.scherer@pwc.com).

Yours sincerely,



Eric Clarke
Global Chief Accountant and Head of Reporting

PwC IL is registered under number 60402754518-05 in the EU Transparency Register.



Appendix—recommendations related to the ESRS Delegated Act

This appendix details comments and recommendations referred to in our response to the proposed amendments to the ESRS Delegated Act.

Provide additional guidance on the relief related to investments subject to a fiduciary duty

ESRS 1 AR 17 and AR 37 provide entities that manage “investments subject to a fiduciary duty on behalf of its clients without retaining risks or rewards of ownership” reliefs from assessing IROs related to those investments and from providing data about those investments. In practice, it may be challenging to determine when the reliefs apply, especially in situations when the assets in question are recorded on the reporting entity’s balance sheet. Without further guidance, these reliefs may be applied inconsistently across reporting entities and across different industries. We suggest that additional guidance be provided to specify the pre-conditions an entity must meet to apply these reliefs.

Adjust guidance on the use of phase-in provisions for entities reporting voluntarily under ESRS

ESRS 1 paragraph 121 states that early voluntary application of ESRS does not trigger the start of phase-in provisions. As a result, entities that report on a voluntary basis will be able to continue to use the phase-in provisions and continue to claim ESRS compliance. This could apply, for example, to European entities that were previously in scope of CSRD and wish to keep reporting under ESRS despite no longer being in scope, and to non-European Union groups that choose to apply ESRS rather than Non-EU ESRS as these groups are not referred to in ESRS 1 paragraph 121 and are therefore assumed to apply ESRS voluntarily. This would create two tiers of ESRS compliance and reduce comparability across reporting entities.

We suggest that the first reporting period in which an entity makes a claim of full compliance with ESRS should start the transition period for phase-in provisions.

Extend the relief related to intensity targets set for Scope 3 Category 15 to all industries

ESRS E1 AR 13 requires that when an entity has only set a GHG intensity reduction target, it also discloses the associated absolute target values. ESRS E1 AR 13 provides financial institutions with a relief from the requirement to disclose the associated absolute target values for their Scope 3 Category 15 emission intensity targets. Companies in other industries may also have emission intensity targets specifically for Scope 3 Category 15 and therefore have the same challenges around converting those intensity targets into absolute values. As ESRS are sector-agnostic, we expect reliefs to be provided to all entities and not limited to specific sectors.

We recommend that the relief in ESRS E1 AR 13 be extended to all entities that have Scope 3 Category 15 emission intensity targets.