

IFD RESPONSE TO THE EUROPEAN COMMISSION'S CONSULTATION ON THE DRAFT DELEGATED ACT AMENDING THE ESRS

29TH OF MAY 2026

The Institut de la Finance Durable (IFD) welcomes the Commission's draft Delegated Regulation amending the ESRS, published on 6 May 2026. Overall, the proposed simplification of the standards is consistent with the balance long advocated by the Paris financial centre between reducing the reporting burden and preserving the ambition of the EU Green Deal and the integrity of the EU sustainable finance framework. The proposed revision should now be adopted as soon as feasible to provide undertakings with the clarity needed for the effective implementation of the revised CSRD framework.

IFD particularly welcomes the fact that the proposed delegated act does not introduce the so-called "non-obscuring" principle for financial materiality, both unclear and inefficient. Such an approach could introduce an implicit hierarchy between financial materiality and impact materiality, while we consider that they are complementary dimensions of ESG analysis and should neither be separated nor prioritised over one another. It is important to preserve the principle of double materiality within the ESRS framework. The "non-obscuring" principle also remains insufficiently defined and could therefore give rise to divergent interpretations, particularly in an audit context, creating legal uncertainty for undertakings. Finally, it raises a broader question of European sovereignty, as it could weaken the Union's ability to set its own sustainability reporting standards. For these reasons, while international interoperability is a legitimate objective, IFD considers it essential that the current architecture be preserved and that this principle not be introduced in the post-consultation phase.

ABOUT THE PARIS SUSTAINABLE FINANCE INSTITUTE - IFD



The Institut de la Finance Durable (Sustainable Finance Institute – IFD) was established in Paris in November 2022, as a part of Paris Europlace, following the first steps accomplished by Finance for Tomorrow. The objective is to promote Green and Sustainable Finance at the national level as well as at the European and international levels. The IFD gathers all stakeholders: representatives of Public

Authorities, Corporates, Financial Institutions and experts. It monitors, in cooperation with the French Treasury, the agenda of the CFTE (Comité de place pour le Financement de la Transition Ecologique), a dedicated committee chaired by the French Finance Minister.

