



DG FISMA – Corporate Reporting, Audit & Credit Rating Agencies  
Sven Gentner, Head of Unit  
Cc: Petr Wagner, Deputy Head of Unit

18 December 2025

***Subject: Request for Clarification on the Concept of Fair Presentation with Regards to the Revised ESRS***

Dear Mr Gentner,

EFRAG has submitted the revised European Sustainability Reporting Standards (ESRS) to the European Commission, which aims to adopt them by next summer. The updated standards are expected to apply from the 2027 financial year, with an option for early adoption in 2026.

The revision significantly reduces both mandatory and voluntary data points to enhance usability and streamline reporting. To support implementation, the ESRS now incorporate a “fair presentation” principle, new proportionality mechanisms to prevent excessive burden, and clearer guidance on materiality assessments, including the option for a top-down approach.

The clarification of the ESRS as a fair presentation framework is a significant addition which will avoid divergent interpretations and ambiguities. ecoDa supports clearly framing the revised ESRS in this way, to better align with the objectives of the CSRD and the underlying requirements of the ESRS, for several reasons:

- It will help prevent a check-the-box approach and provide more flexibility for companies to exercise professional judgment (with concurrence from their auditor) on whether the information disclosed provides a true and fair view of an entity’s sustainability performance and risks.
- It encourages an overall perspective, fostering the assessment of the reporting as a total mix of information reporting for stakeholders to use in their decision-making processes.
- It positions the ESRS on par with the ISSB, which also follows a fair presentation framework.

- In contrast, interpreting the ESRS as a compliance-based framework has created undue challenges for the first wave of reporting companies, which were often required to report on topics they themselves assessed as not material.

Although auditing standards have not yet been approved in the EU, the issuance of ISSA 5000 by the IAASB on November 12, 2024 already provides some views on the differences that would result from applying a fair presentation framework versus a compliance framework (cf 182sq and A528 and 529) <sup>1</sup>.

In addition, the Commission FAQ (released August 7, 2024) <sup>2</sup> refer to a due process for the double materiality assessment and the disclosures of all material impacts, risks and opportunities, which are both characteristics that support fair presentation, and CEAOB guidelines on limited assurance on sustainability reporting (adopted September 30, 2024) point to a fair presentation by requiring the auditor “to conclude that no matter has come to their attention to cause them to believe that the information included in the sustainability statement is not fairly presented, in all material respects, in accordance with ESRS and that it is not compliant with the legal requirements of Article 8 of the Taxonomy Regulation” <sup>3</sup>.

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<sup>1</sup> A528. In the case of fair presentation criteria, the practitioner’s evaluation about whether the sustainability information achieves fair presentation is a matter of professional judgment. this evaluation takes into account such matters as the facts and circumstances of the entity, including changes thereto, based on the practitioner’s understanding of the entity and the evidence obtained. The evaluation also includes consideration, for example, of the disclosure needed to achieve a fair presentation arising from matters that could be material (i.e., in general, misstatements are considered to be material if they could reasonably be expected to influence decisions of intended users taken on the basis of the sustainability information), such as the effect of evolving requirements or the changing environment.

A529. Evaluating whether the sustainability information achieves fair presentation may include, for example, discussions with management and those charged with governance about their views on why a particular presentation was chosen, as well as alternatives that may have been considered. The discussions may include, for example:

- the degree to which the disclosure in the sustainability information are aggregated or disaggregated, and whether the presentation of disclosures obscures useful information, or results in misleading information.
- consistency with appropriate industry practice, or whether any departures are to the entity’s circumstances and therefore warranted.

<sup>2</sup> FAQ70 of the Frequently asked questions on the implementation of the EU corporate sustainability reporting rules [https://finance.ec.europa.eu/publications/frequently-asked-questions-implementation-eu-corporate-sustainability-reporting-rules\\_en](https://finance.ec.europa.eu/publications/frequently-asked-questions-implementation-eu-corporate-sustainability-reporting-rules_en):

The first part of the conclusion referring to the fair presentation, in all material respects, in accordance with the ESRS entails an opinion on:

- whether the undertaking’s sustainability statement, including the process to identify the information reported (i.e., the double materiality assessment process), are compliant with ESRS; and
- whether the outcome of this process has resulted in the disclosure of all material sustainability-related impacts, risks and opportunities of the undertaking in accordance with ESRS.

<sup>3</sup> [https://finance.ec.europa.eu/document/download/8ac2df18-2ae1-4bc7-9d87-a4a740e48f5e\\_en?filename=240930-ceaob-guidelines-limited-assurance-sustainability-reporting\\_en.pdf](https://finance.ec.europa.eu/document/download/8ac2df18-2ae1-4bc7-9d87-a4a740e48f5e_en?filename=240930-ceaob-guidelines-limited-assurance-sustainability-reporting_en.pdf)

Based on these existing references, we are of a view that the clarification related to the ESRSs as being a fair presentation framework will not substantially change how entities and their auditors have approached the ESRS framework:

- Fair presentation requires an overall judgment as to whether the information has been faithfully presented for all material matters. This concept applies to both financial and sustainability statements. To ensure fair presentation, companies need to implement appropriate due process and governance, all of which are currently part of ESRS implementation and requirements.

We would also like to prevent a confusion made with stakeholders' consultation as a possible driver for an increased reporting burden under fair presentation. Stakeholders' consultation is voluntary (and recommended) to allow entities to include an external perspective in their double materiality analysis, supporting their assessment of material matters. It was never intended that the sustainability information should fairly reflect the interests and concerns of all relevant stakeholders. Stakeholders do not drive the materiality assessment; entities (management and boards) are ultimately responsible for determining which matters are material, based on their own assessment informed by due process.

We appreciate the opportunity to provide our views on this important topic, and we support the revised ESRS as currently written under Section 2 "Fair presentation and qualitative characteristics of information" of ESRS1 "General requirements".

We thank you for your kind consideration and we remain at your disposal for any further discussion.



Maria Pierdicchi  
Chair



Anne-Hélène Monselatto  
Chair of the WG on  
Sustainability Champions



Béatrice Richez-Baum  
Director General

*About ecoDa: The European Confederation of Directors Associations (ecoDa) is a not-for-profit association founded in December 2004 under the laws of Belgium. Through its 24 national institutes of directors (the main national institutes existing in Europe), ecoDa represents approximately 55,000 board directors from across the EU. ecoDa's member organizations represent board directors from the largest public companies to the smallest private firms, both listed and unlisted.*

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