EU Commission

3 June 2026

Have your say – Revised European Sustainability reporting standard for voluntary use (VS)

The Danish National Funding Mechanism for EFRAG (DK NFM) welcomes the opportunity to comment on the Revised European Sustainability reporting standard for voluntary use (VS). We – representing preparers, financial institutions (users and preparers) and auditors - fully support the efforts with Omnibus I to ensure the competitiveness of Europe and reducing the administrative burdens of sustainability reporting while safeguarding the green deal policy goals. The adoption of the Revised European Sustainability reporting standard for voluntary use (VS) is an essential element to meet these objectives through streamlining the voluntary disclosures while preserving the data infrastructure.

Categorisation of disclosures

NFM notes that the EU-Commission has clarified the disclosure requirements by introducing four reporting categories: "Necessary", "Necessary, if applicable", "Consideration when reporting sector information" and "Voluntary". We have compared the categories with the original wording (i.e. the use of “shall”, “if applicable”, “may”) and have only identified 2 minor changes. We take note of the clarification and notes that this directly mirrors the disclosure requirements already included in the VS-standard but should help with the implementation of the standard by service- and software providers as well as directly with businesses. However, to make it even more operational, we recommend the incorporation of an annex guiding the preparers of the reporting with the overview of the different categories of disclosures for easy navigation.

We also acknowledge the efforts to reduce the reporting obligations for Micro’s. However, we find the resulting headings (categories) to be difficult to navigate and suggests a simpler language. Using “micro’s” could be a way forward.

Value chain Cap

We support the Commission’s direction clarifying that the cap should prevent systematic over-collection of data through the ESRS reporting chain but believe this should not undermine the broader incentive for voluntary uptake of the VS-standard nor prevent engagement where additional information is needed outside the ESRS reporting request as such.

Based on this, we support the EU-Commission approach as this sends a clear signal to especially data aggregators and rating agencies. However, we understand and are of the opinion that the Value Chain Cap only protects against information directly requested due to the specific disclosures in the ESRS but does not apply to entity-specific information needed, including disclosures marked as "Necessary, if applicable" and "Consideration when reporting sector information". We believe that this needs to be clarified since a number of datarequests will be triggered based on entity specific IROs. The clarifications should include guidance as to first look at the VS-standard for any information requests in the value chain (including entity specific) and respect the principle in ESRS 1 paragraph 64 (only ask for material information where it is material, i.e. not sending out generic questionnaires to every actor).

To this end, we suggest adding part of recital 4 from the draft *"Comission delegated regulation … supplementing Directive 2013/34/EU of the European Parliament and of the Council by establishing sustainability reporting standards for voluntary use by undertakings protected by the value chain cap"*. This should in particular include the message to only request information from undertakings in their value chain insofar as <u>necessary</u>, and that they <u>request less information</u> than specified in the standard for voluntary use <u>if they do not need all the information</u> in that standard.

The definition of value chain cap in Article 1 should clearly state that information requests made for other purposes than sustainability reporting, including requests stemming from SFDR, Solvency II, CRR, Pillar 3 etc., are not covered by the cap. Despite that this is indicated in the recitals of the proposal, the provision itself should also be clear on the scope of the cap to avoid legal uncertainty and incorrect interpretation among companies. We propose incorporating the last part of recital (4) into article 1 stating that "The 'value chain cap' does not affect requests for information needed to comply with obligations stemming from other Union or national law, under the conditions set out there in".

We encourage the Commission to consider initiating regulatory measures in other areas to create incentives for the use of the VS standard. For example, we would welcome ESG rating agencies and ESG data collectors, to the greatest extent possible, requesting and seeking data that originates from and is defined in the VS standard when it comes to non-ESRS reporting companies. In other words, the agencies and data collectors should first assess whether a suitable metric is already defined in the VS standard before establishing an alternative metric to be followed by the companies.

To make the data-infrastructure more efficient, we also recommend that companies are allowed to make use of the ESAP for reporting under the voluntary standard and that a simple front-end solution is made available. It is important that the EU-Commission and member states actively support this. For the preparer of the voluntary reporting, it is important to know and understand where they can upload and make their report public available. For the ESRS-reporters, it is important that they know where they can efficiently access the uploaded reports. This is for us a key initiative to ensure the efficiency of the data exchange. We can refer to the solutions currently provided for digital submission of the annual report by the Danish Business Authority for inspiration.

Turnover (in monetary units) (B1(e)(iv))

The disclosure B1(e)(iv) "Turnover (in monetary units)" disregards the reliefs embedded in the accounting directive art 14(2) "Simplifications for small and medium-sized undertakings" which allows small and medium-sized entities to omit the explicit disclosure of turnover and to report on "gross profit or loss". We believe this needs to be changed to align with the accounting directive.

Primary operations and Geolocation – level of granularity
The disclosures B1(e)(vi) "Country of primary operations and location of significant asset(s)" and B1(e)(vii) – "Geolocation of sites owned, leased and managed" will without any materiality filter potentially generate an extremely long list (especially for larger entities using the standards).

This approach is furthermore not consistent with the full ESRS where the approach to granularity is changed and where for instance the E4 AR 8 for para. 19 explicitly states that *"The undertaking is not necessarily expected to provide an exhaustive list of all individual sites or locations where its own operations interact with biodiversity-sensitive areas or to provide information for each of its individual sites."* We strongly suggest a more proportional approach to this disclosure to ensure relevance, and it could potentially be resolved by taking inspiration from the quoted AR.

Concluding remarks
Except for the above-mentioned, the Danish NFM fully supports the adoption of the VS in the present form as a delegated act and the consequential amendments made to reflect the revision of the ESRS set-1. We believe it will play an important part in both encouraging voluntary reporting and support harmonisation of questionnaires and encourage the EU-Commission to support this streamlining in other EU-regulations.

Kind regards,
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