

FSR – Danish Auditors welcomes the opportunity to comment on the draft sustainability reporting standard for voluntary use (the "Voluntary Standard" or "VS"). We support a swift adoption of the Voluntary Standard and acknowledge the substantial work undertaken by the Commission and EFRAG in developing it. The Voluntary Standard is largely based on the VSME, which has been developed with a particular focus on the SME segment. We support, however, that the standard can also be applied by other undertakings outside the CSRD scope as a framework that promotes comparability and quality in voluntary sustainability reporting.

**Practical application and guidance:** The need for accessible implementation guidance applies with particular importance to the Voluntary Standard. A part of the intended user base will often have limited resources to interpret the standard independently. We therefore encourage the Commission and EFRAG to issue concrete implementation guidance following adoption, including illustrations of how the Basic and Comprehensive modules work in practice and how the VS interacts with the value-chain reporting cap in the revised ESRS. In developing such guidance, we also encourage the Commission and EFRAG to consider the degree to which the VS and the ESRS are aligned in terms of their underlying concepts and principles. Overarching concepts that are central to the ESRS framework – including the materiality assessment and the identification and assessment of impacts, risks and opportunities – are not explicitly represented in the VS. This creates practical uncertainty for undertakings that have previously applied ESRS concepts and now wish to report in accordance with the VS, as well as for undertakings that may seek to transition to full ESRS application in the future. We therefore encourage the Commission and EFRAG to provide guidance that clarifies how undertakings in these situations should navigate the relationship between the two frameworks, and how ESRS concepts can be meaningfully utilized within the context of the VS.

**Consistency and precision in the draft standard.** A well-functioning voluntary standard depends on internal consistency and precision. In the course of our review, a number of provisions were identified where the current drafting gives rise to uncertainty that could usefully be resolved before adoption in order to improve clarity and internal consistency.

Our recommendations in this regard are set out in detail in the attached memorandum, and relate in particular to instances where certain provisions and brackets could be more precisely formulated, where the purpose of specific provisions is unclear in the context of a voluntary standard, and where the terminology used does not consistently reflect the full intended user base of the standard.

FSR remains at the disposal of the Commission to discuss any of the points raised above.