



# Omnibus I and the simplification of ESRS standards

Analysis of EFRAG's technical advice on the proposed revised standards

## Introduction

**On 3 December 2025, EFRAG officially submitted its technical advice to the European Commission regarding the proposed revised ESRS (European Sustainability Reporting Standards). This technical advice is just one of several steps, yet a very important one, in initiating consultations focused on amendments to the Corporate Sustainability Reporting Directive (CSRD).**

The adoption of a new delegated act on ESRS, which will replace the July 2023 act, is expected to take place in mid-2026. This new set of standards is anticipated to be mandatory for the preparation of sustainability reports for the 2027 reporting year, which will subsequently be published in 2028, i.e., when the revised CSRD Directive enters into force. At the same time, their potential application to reports for the 2026 reporting year is being considered, although final confirmation is still pending approval.

The European Commission must now approve the simplifications proposed by EFRAG. These simplifications have been divided into six areas, each addressing the complex challenges encountered during the implementation of the original ESRS by the first-wave companies:

1. Simplification of the double materiality assessment (DMA)
2. Improving the readability and conciseness of sustainability reports
3. Reorganising linkages between general disclosures and topical standards
4. Enhancing the clarity, understandability, and accessibility of ESRS standards
5. Allowing additional reporting reliefs
6. Improving interoperability with global sustainability reporting standards

EFRAG's proposals therefore result in significant changes. The new standards are expected to lead to clearer sustainability reports, placing greater emphasis on information that is genuinely useful for decision-making by report users.

In practice, these proposals lead to a reduction of mandatory data points by approximately 60%. The draft revised standards will also no longer include voluntary data points, and the length of the standards will be reduced by more than half.

However, companies will still need to carefully assess to what extent the adoption of the new ESRS delegated act will facilitate the preparation of sustainability reports, as the reduction in the number of data points will not result in a proportional decrease in the reporting burden. The foundational principles of sustainability reporting, as defined by the CSRD, remain unchanged.

Following the submission of the technical advice on the proposed revised ESRS standards, EFRAG launched an [interactive online platform](#) that provides centralized access to the ESRS standards and all related documentation, as well as additional resources relating to sustainability reporting. Once the new ESRS are formally approved, this platform will be fully updated.

## 1. Simplification of the double materiality assessment (DMA)



In its technical advice on the proposed revised ESRS standards, EFRAG places strong emphasis on the principle of fair presentation and on the need to provide information that is genuinely relevant to users of sustainability reports.

The new approach to the Double Materiality Assessment (DMA) introduces several simplifications and clarifications aimed at reducing administrative burden while enhancing the quality and usefulness of disclosed information.

### Simplification of the double materiality assessment (DMA) Proposed revisions to the ESRS general requirements standard

The revised standards provide a clearer definition of what constitutes **material information** in the context of user needs. They also clarify that the double materiality assessment must be revisited only when **significant changes** occur in a company's activities, structure, or operating environment. This means that companies are not required to repeat the full analysis every year unless substantial changes have taken place.

Companies may start the assessment by analysing their strategy and business model ("**top-down**" approach). A detailed analysis is not required if materiality or non-materiality is already apparent. The emphasis is on **making use of available information** without incurring excessive costs or effort. **Quantitative assessments** are not mandatory if qualitative analysis is sufficient.

Companies are not expected to assess all possible impacts, risks, and opportunities (**IROs**) across their entire operations; they may focus only on those areas where **materiality is reasonably expected**.

When evaluating material **negative impacts**, the **effectiveness of existing policies and mitigation measures** must be taken into account. Where these measures are sufficiently effective, they may reduce the severity or likelihood of the impact.

When presenting information, it is important to avoid both **over-aggregation** and excessive detail, so **as not to obscure material insights**. This applies in particular to geographical disclosures, where relevant systemic interactions and impact drivers need to be preserved.

The revised requirements also encourage **more concise reporting of the results of the double materiality assessment** and the process followed. Additionally, companies are advised to avoid boilerplate disclosures that do not provide real value to report users.

**These changes aim not only to reduce the number of mandatory data points, but also to support disclosures that are genuinely useful for decision-making and reflect the specific circumstances of individual companies. As a result, companies gain greater flexibility and can focus more effectively on the issues that matter most to their stakeholders.**

2. Improving the readability and conciseness of sustainability reports
3. Reorganising linkages between general disclosures and topical standards



The new proposals for revised ESRS standards introduced by EFRAG bring substantial changes to the presentation of sustainability reports, with a strong emphasis on clarity, conciseness, and more effective linkages between general disclosures and topical standards.

### Improving the readability and conciseness of sustainability reports

One of the key objectives is to **eliminate redundant or generic information** that does not provide added value to users of sustainability reports. Companies should avoid including details of routine practices already known to informed users, as such information may **obscure what is truly material**. The new requirements allow certain disclosures – such as detailed tables or information required under other legal frameworks – to be placed **in an annex** to the sustainability report. This shift helps make the **main body of the report** more **structured, readable, and user-friendly**.

Another simplification is the possibility to present **information on policies, actions, targets, and metrics** in a summarised form, where this reflects how they are managed within the company. This **reduces duplication and lowers the number of mandatory data points**, leading to a more efficient reporting process.

### Reorganising linkages between general disclosures and topical standards

The new ESRS standards reorganise the structure of sustainability reporting so that **Disclosure Requirements (DRs)** and **Application Requirements (ARs)** appear side by side. This improves **clarity** and methodological **consistency**. Topical information related to presenting the results of the double materiality assessment and describing the assessment process is now integrated directly into the general requirements, removing the need for separate add-ons within topical standards.

The appropriate level of detail in disclosures on policies, actions, targets, and metrics may vary depending on the nature of the relevant impact, risk, or opportunity (IRO) and how it is managed within the organisation. What matters is that the **level of detail corresponds to the severity of impacts, magnitude of risks, and strategic significance for the company's business model**. The new standards also provide more **flexibility in how information may be presented**, supporting improved readability and clarity.

A major improvement is the **removal of duplication between general and topical standards**, resulting in clearer linkages and a more logical structure of disclosures. This simplification makes the reporting process easier for companies and enhances the **practical usefulness of sustainability reports for stakeholders**.

4. Enhancing the clarity, understandability, and accessibility of ESRS standards
5. Allowing additional reporting reliefs
6. Improving interoperability with global sustainability reporting standards



### Enhancing the clarity, understandability, and accessibility of ESRS standards

A **change** in the overall **structure of the standards** ensures that Application Requirements and Disclosure Requirements relate exclusively to **mandatory** methodological aspects.

All **voluntary data points** are **removed**. (EFRAG plans to publish the removed voluntary data points later in a separate, non-binding document.)

### Allowing additional reporting reliefs

**Exemption** from **disclosing** qualitative or quantitative **information** required by ESRS where relevant **EU laws prohibit or allow** companies to **omit such information** (e.g., confidential or sensitive data).

**Greater flexibility in identifying material IROs** (impacts, risks, opportunities) within the **value chain** – direct data collection is no longer mandatory, and companies may use **estimates** instead.

**Deferral option:** Companies may postpone the **inclusion of subsidiaries** acquired during the reporting period – or subsidiaries over which control was lost during the period – until the next reporting cycle. If applied, at least **qualitative information** must still be provided.

Companies may **exclude activities from specific indicators** if these activities are **not material** to the respective impact, risk, or opportunity, as long as this does **not compromise the relevance** of the information.

New transitional provisions for **first-wave companies:** They may **omit quantitative disclosures** on expected **financial effects** and **substances of concern** for reporting years 2026–2029.

Companies may **omit quantitative information** on **expected financial effects** in three cases: the effects cannot be identified separately; there is high estimation uncertainty; or there is a lack of competencies, capacity, or resources to provide such information.

**Quantitative disclosures** may be provided as **indicative ranges instead of precise figures**, with the aim of still conveying meaningful insights regarding current and **expected financial effects** and **future financial resources**.

### Improving interoperability with global sustainability reporting standards

Strong emphasis on the fact that ESRS constitutes a **fair-presentation reporting** framework and includes a general **materiality filter**, similar to the ISSB standards.

Reference to **ISSB sector-based guidance** (IFRS S2, SASB) and **GRI** standards for the preparation of entity-specific disclosures.



In the context of a constantly evolving European regulatory landscape, we have conducted a detailed analysis of the technical advice published by EFRAG on 3 December 2025, with the aim of highlighting the key changes compared to the ESRS standards currently in force.

Our goal is to help you anticipate these changes, assess their impact on your sustainability reporting processes, and ensure regulatory compliance. Through active and diligent monitoring, we are able to closely track the content of the delegated act that will confirm the final revised standards in 2026.

Forvis Mazars has already supported numerous clients in applying the ESRS and preparing their sustainability reports. We are involved in the essential steps that ensure the reliability of your reporting approach:

### **Double materiality assessment (DMA)**

If your DMA has already been performed, we focus on implementing the targeted adjustments required as a result of regulatory changes or significant shifts in your company's strategy, business model, or activities during the period. We also support companies conducting a DMA for the first time, guiding them through the entire assessment process. In doing so, we ensure the long-term sustainability of the process and take into account the potential implications of EFRAG's technical advice.

### **Gap analysis against ESRS requirements**

We help companies update their existing gap analysis or develop a new one, always in the context of the proposals presented by EFRAG in its technical advice, by identifying:

- priority deviations that must be addressed, and
- information areas that need to be considered on a case-by-case basis, based on the specific characteristics of each company or client.

### **Data collection**

Based on the results of the gap analysis, we help companies develop or further enhance their data-collection processes, taking into account the potential implications of EFRAG's technical advice and ensuring that priorities are clearly established.

### **Developing an ESRS-aligned transition plan**

Drawing on the organisation's carbon-footprint calculations, we support companies in developing credible transition plans that meet standard-based expectations. We also assist in updating existing decarbonisation plans.

### **Preparation of the sustainability report**

Based on the results of the double materiality assessment (DMA) and the gap analysis, we help companies draft or improve their sustainability reports. We ensure full alignment with the current ESRS framework, incorporating EFRAG's clarifications, and prepare companies for the application of the new ESRS delegated act.

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