



Council of the  
European Union

Brussels, 16 May 2023  
(OR. en)

9469/23

DRS 27  
COMPET 444

**NOTE**

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From: General Secretariat of the Council  
To: Council

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Subject: Making the upcoming reporting standards a competitive advantage in the  
green transition  
*- Information from the Danish and Estonian Delegations*

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Delegations will find attached a note from the Danish and Estonian delegations with a view to the AOB items at the meeting of the Competitiveness Council on 22 May 2023.

**Making the upcoming reporting standards a competitive advantage in the green transition**

- *Joint request for an AOB point by Estonia and Denmark*

The upcoming reporting standards, which will be adopted as delegated acts under the Corporate Sustainability Reporting Directive (CSRD), will represent a major step forward in sustainability reporting by enhancing and standardizing digital reporting to the benefit of the green transition of the European economy. This will ensure that sustainability reporting will no longer be a desk exercise but be placed on equal footing with the financial reporting and serve as a lever for competitiveness.

However, to achieve this goal, we need to have standards which are not only ambitious but also proportional, value-creating and executable for both the reporting undertakings and the users of the disclosures. Otherwise, we risk complicating rather than facilitating our green transition while at the same time losing competitiveness in an already challenging time. A fact that the Commission President has acknowledged herself with the announcement in March of the Commission's intention to put forward concrete proposals in the autumn to simplify reporting requirements with the aim of reducing them by 25%<sup>1</sup>.

For such a reduction to become reality, we need to focus on high quality reporting and not the sheer number of reporting requirements. Focusing solely on the latter could risk generating data overload and incorrect disclosures to the detriment of the objectives of CSRD. To ease reporting, we also need the Commission to follow up with complementing measures to help the undertakings' preparation of their reporting to become more digital, standardized and automated. In other words, we need both greater simplification and greater usability.

In light of this, we invite the Commission and Member States to reflect intensively on how to avoid the upcoming standards becoming an excessively costly and time-consuming burden on companies rather than a meaningful and easy tool for companies to promote their competitiveness and attract investment while benefitting our society and climate.

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<sup>1</sup> Speech by President von der Leyen at the European Parliament Plenary on the preparation of the European Council meeting of 23-24 March 2023, 15 March 2023