



British Columbia Investment Management Corporation
750 Pandora Ave / Victoria BC / V8W 0E4 CANADA
T +1 778 410 7100 communication@bci.ca [BCI.ca](https://www.bci.ca)

September 25, 2025

Patrick de Cambourg
Chair, Sustainability Reporting Board
European Financial Reporting Advisory Group
35 Square de Meeus
1000 Brussels, Belgium

Delivered via email : efragsecretariat@efrag.org

RE: Public Consultation on Amended ESRS Exposure Drafts 2025

Dear Mr. de Cambourg,

Thank you for the opportunity to comment on EFRAG's Amended ESRS Exposure Drafts proposing simplifications to the European Sustainability Reporting Standards. We welcome EFRAG's effort to reduce reporting burden while advancing consistent, high-quality sustainability disclosures.

BCI is one of Canada's largest institutional investors, with C\$295 billion in gross assets under management as of March 31, 2025. We generate investment returns, across a range of strategies and asset classes, to help our institutional clients build a financially secure future. With our global outlook we seek investment opportunities that convert savings into productive capital that will meet our clients' risk and return requirements over time.

Global alignment of sustainability-related financial disclosures

As a large institutional investor, with a globally diversified portfolio, BCI strongly believes in the benefit of globally consistent, comparable, and reliable sustainability-related financial disclosures. This information is crucial to support investment decision making and allows investors to confidently assess and manage associated risk exposure. BCI believes the best way to achieve the desired global baseline across jurisdictions is through full alignment with the ISSB's standards. These standards, IFRS S1 and S2 specifically, build on existing and broadly accepted frameworks and standards, such as the Task Force for Climate-Related Financial Disclosures (TCFD) recommendations and the SASB industry-specific standards.

The IFRS standards have been endorsed by the International Organization of Securities Commissions (IOSCO) enhancing the prospect of global consistency, and success hinges upon the extent to which global jurisdictions adopt the standards as they are.

Our primary concern is ensuring that simplification efforts do not undermine the critical goal of global alignment in sustainability disclosures. While we appreciate the substantial reduction in datapoints and enhanced flexibility, certain proposals risk creating barriers to interoperability that could increase costs and create complexity for multinational companies and global investors.

Survey Questions

We have focused our response on those survey questions most material to global interoperability and investor decision-making, rather than providing comprehensive commentary on all technical provisions.

Question 11: Double Materiality Assessments.

Do you agree that the proposed amendments have sufficiently simplified the DMA process, reinforced the information materiality filter and have succeeded in striking an acceptable balance between simplification and robustness of the DMA? Do you agree that the wording of Chapter 3 of ESRS 1 is sufficiently simplified?

BCI Response: PARTIALLY AGREE/PARTIALLY DISAGREE

We support the practical guidance provided in Chapter 3.6 of ESRS 1, which offers valuable flexibility in conducting materiality assessments. The streamlined topic list in Appendix A and clearer aggregation/disaggregation criteria represent meaningful improvements.

However, we have concerns about the prescriptive "gross versus net" guidance in Appendix C (paragraphs 34-36). While we understand the intention to provide clarity, this approach risks creating unnecessary complexity and divergence from the principles-based approach taken by ISSB standards, where materiality assessments appropriately rely on professional judgment considering specific circumstances. To strengthen financial materiality alignment with ISSB standards, we recommend incorporating the SASB standards into the ESRS double materiality assessment process. The SASB standards are specifically designed to identify financially material sustainability topics and metrics by industry, thus providing structured guidance for companies as they determine which sustainability matters are likely to have impacts on their financial performance.

Question 17: Burden reliefs

Do you agree that these proposed Amendments provide sufficient relief and strike an acceptable balance between (a) responding to the stakeholders' demands for burden reliefs and (b) preserving the transparency needed to achieve the objectives of the EU Green Deal, as well as interoperability with the ISSB's IFRS S1 and S2?

BCI response: PARTIALLY AGREE/PARTIALLY DISAGREE

BCI supports the introduction of "undue cost or effort" reliefs that are aligned with IFRS S1 and S2, and the practical relief for data quality limitations. These changes can significantly reduce complexity for companies subject to both ESRS and ISSB requirements. However, we caution that introducing reliefs beyond those in ISSB standards may create additional complexity for global investors and companies operating across multiple jurisdictions. The ISSB limits the undue cost or effort relief to specific applications such as the identification of climate-related risks, determination of value chain scope, anticipated financial effects and Scope 3 measurement approaches. EFRAG's proposal extends this relief to all metrics across ESRS, including basic operational metrics, creating new differences that companies must navigate when reporting under both frameworks.

Similarly, the introduction of entirely new reliefs, such as the acquisition/disposal relief for subsidiaries acquired during the reporting period, adds compliance complexity that is not present in ISSB standards. We recommend limiting reliefs to those that enhance interoperability rather than create new differences.

Question 19: Relief for anticipated financial effects.

Please select from the alternatives below the one that represents your view: (a) I agree with Option 1, (b) I agree with Option 2, (c) I disagree with both Options

Note: Option 1 requires companies to disclose both qualitative and quantitative information about anticipated financial effects but allows omission of quantitative information under certain conditions similar to IFRS S2. Option 2 limits the requirement to qualitative information only, making quantitative disclosure voluntary.

BCI response: We agree with option 1.

We feel that option 1 enhances interoperability between ESRS and ISSB standards while maintaining the principle that quantitative information should be provided when available. This approach recognizes legitimate challenges in measuring long-term financial effects while preserving the information most valuable to investors. In contrast, we feel option 2 would be detrimental to interoperability and would omit information critical for investment decision-making.

We note that EFRAG's proposed scope limitation that would restrict financial effects disclosures to "information on future investments and plans that are already announced." This departs from the comprehensive framework established in ISSB Standards, which covers six essential categories of financial effects including current financial position impacts, financial performance effects, future cash flow implications, capital deployment, financial resilience and opportunity assessment. EFRAG's narrower focus would fundamentally alter the purpose of financial effects disclosure.

Therefore, we recommend enhancing Option 1 by fully aligning relief language with IFRS S2 to minimize interpretation differences, including relief for commercially sensitive information (as in IFRS S1), and maintaining the comprehensive scope of financial effects disclosures consistent with ISSB standards.

Question 21: Enhanced interoperability with the ISSB's Standards IFRS S1 and S2

Do you agree that these proposed Amendments achieve an appropriate balance between increasing interoperability and meeting the simplification objectives?

BCI response: PARTIALLY AGREE/PARTIALLY DISAGREE

We appreciate EFRAG's commitment to enhancing interoperability and recognize improvements in a) aligned language for common requirements, b) implementation of ISSB reliefs (undue cost/effort) c) fair presentation framework alignment and d) emphasis on materiality as a general filter.

However, the proposed GHG organizational boundary approach requiring both financial control and operational control disclosures fails to align with the GHG Protocol's requirement for a single measurement approach. This may lead to inconsistent emissions profiles across reporting frameworks and requires companies to maintain dual calculation methodologies.

Question 22: Reduction in the number of mandatory and voluntary datapoints

Do you agree that the proposed reduction in "shall disclose" datapoints (under materiality) strike an acceptable balance between burden reduction and preserving the information that is necessary to fulfil the objectives of the EU Green Deal?

BCI response: Yes.

We support the 57% reduction in mandatory datapoints and 100% elimination of voluntary datapoints. This represents meaningful burden reduction while maintaining essential investor-relevant information.

The focus on quantitative metrics over prescriptive narrative requirements is welcome, as it enhances comparability while reducing preparation costs. However, we note that seven ISSB-aligned disclosure requirements have been removed¹, creating gaps in interoperability mapping and contradicting the goal of enhancing interoperability with global standards. We recommend preserving these.

Conclusion

BCI commends EFRAG for undertaking this comprehensive simplification while maintaining focus on interoperability with ISSB standards. The proposed amendments represent significant progress in reducing reporting burden.

However, we urge EFRAG to prioritize maintaining and enhancing global interoperability in areas where differences would create compliance burdens across frameworks. With nearly 40 jurisdictions having adopted or in the process of adopting the ISSB standards, ensuring seamless reporting across multiple frameworks is essential for efficient global capital markets. As a large institutional investor, we require consistent and comparable sustainability-related disclosure to make informed investment decisions. Divergent reporting frameworks compromise our ability to assess risks and opportunities uniformly across our global portfolio.

We believe the amendments can achieve both meaningful simplification and enhanced global alignment through careful attention to interoperability implications in the final standards.

Thank you for your consideration of our comments.

For any clarifications related to this submission please contact Susan Golyak, Director, ESG at susan.golyak@bci.ca.

Sincerely,



Jennifer Coulson

Senior Managing Director & Global Head, ESG

c.c.: Susan Golyak, Director, ESG

¹ The seven deleted ISSB-aligned datapoints include: (i) management's role in governance processes for sustainability (ESRS 2 General disclosures GOV-1); (ii) monitoring progress against previously disclosed actions (ESRS 2 General disclosures - Mandatory Disclosure Requirement for actions and resources in relation to material topics); (iii) methodology details for Scope 3 greenhouse gas emissions measurements (ESRS E1 Climate change Application Requirement 46(g) amended); (iv) integration of sustainability into risk management (ESRS 2 General disclosures IRO-1, paragraph 53(e)); (v) gross greenhouse gas emissions intensity (ESRS E1 Climate change paragraph 53 amended); (vi) sustainability-related remuneration for management bodies (ESRS 2 General disclosures GOV-2); and (vii) information on how climate considerations factor into executive remuneration (ESRS 2 General disclosures GOV-2).