

# Benchmark Supports European Sustainability Reporting Standards, Urges Clarification of Select Disclosure Requirements

*Benchmark Recommends More Prescriptive Requirements for Collection and Usage of Disclosure-Relevant ESG Data, Suggests Alternative Materiality Assessment Rules*

KÖLN, GERMANY, August 16, 2022 /EINPresswire.com/ -- Benchmark ESG ([Benchmark](#)), a leading provider of cloud-based Environmental, Social, and Governance (ESG) enterprise software solutions with a global footprint, this month [submitted a General Comment Letter](#) (the "Letter") in response to the first draft set of European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG).

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*R Mukund*

“In both its aspirations and actions, the EU is the unrivaled leader in the global effort to bring much-needed transparency, uniformity, comparability, and credibility to companies' claims to ESG performance excellence,” said Benchmark founder and CEO R. Mukund. “Unsurprisingly,

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While the Letter, which is available on Benchmark's website, broadly commends EFRAG for developing a proposed set of uniquely comprehensive, mandatory enterprise ESG disclosure requirements, it is not without its recommendations.

“There are a handful of disclosure requirements where clearer criteria concerning the quality of the primary operational ESG performance data that companies use to complete their disclosures would be advantageous,” explained Benchmark Director of ESG Strategy and Partnerships Peter Walsh, who authored the Letter. “To the extent possible, EFRAG should stipulate exactly how companies are expected to collect that data, as well as how companies are expected to use that information to inform their business strategy, risk management, and governance frameworks, among other required disclosures.”

This first tranche of “sector-agnostic” ESRS will soon be supplemented by subsequent sets of “sector-specific” and “SME-proportionate” corporate sustainability reporting standards that, together, will form the basis of the European Union’s (EU) Corporate Sustainability Reporting Directive (CSRD), a pillar of the EU’s overarching [Sustainable Finance Package](#).

But, as detailed in the Letter, the premise upon which the ESRS disclosure requirements are based—that each sustainability risk, impact, and opportunity itemized for disclosure are considered material for a CSRD-covered company unless a company can prove otherwise—may undermine one of the CSRD’s intended effects, namely that companies build more sustainable enterprises in a financially sound manner.

“Any enterprise ESG program capable of delivering continuous results is one that’s built upon a thoroughly stakeholder-influenced materiality assessment performed at the program’s outset,” said Benchmark Chief Market Strategy Officer Donovan Hornsby. “For this reason, we’re recommending that EFRAG set standards and application guidance for how companies should perform, leverage, and disclose the findings of a stakeholder-influenced materiality assessment, rather than maintaining the ‘rebuttable presumption’ they’ve devised. Otherwise, compliance with the CSRD may come out to be just another box-ticking exercise for corporates.”

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