

3 June 2026

European Commission
Rue de la Loi 200
1049 Brussels
Belgium



Japanese Bankers Association

JBA comments on the draft revised European Sustainability Reporting Standards (ESRS)

Dear European Commission:

The Japanese Bankers Association¹ (JBA) appreciates the opportunity to provide its comments on the draft revised European Sustainability Reporting Standards (ESRS), released on 6 May 2026.

We commend the European Commission for its comprehensive efforts to revise the ESRS, in particular through the substantial reduction in datapoints, the simplification of reporting requirements, and the introduction of greater flexibility, with a view to alleviating the administrative burden on companies. This initiative represents a significant step toward reducing reporting burdens on businesses, thereby supporting sustainable economic growth and contributing to the enhancement of the overall business environment, while maintaining a balanced and effective regulatory framework.

Notwithstanding the above, we observe that certain aspects of the proposed ESRS revisions do not yet fully ensure alignment with internationally recognised sustainability reporting standards, such as those issued by the International Sustainability Standards Board (ISSB). These discrepancies may give rise to additional disclosure burdens for reporting entities. In this context, we respectfully encourage the European Commission to further advance its efforts to promote greater alignment between the ESRS and international sustainability reporting frameworks.

Alignment with international standards

- We welcome the proposed simplifications in the revised ESRS, including the reduction in datapoints and the streamlining of the materiality assessment process. In particular, the introduction of a top-down approach and clearer limitations on the disclosure of immaterial information are positive developments that enhance practical usability.
- However, we would like to reiterate that, from the perspective of preparers, the burden of complying with two parallel reporting frameworks—the ESRS and the ISSB Standards—remains largely unaddressed. Against this background, we propose that disclosures extending beyond the scope of ISSB Standards be made voluntary as a general principle, and we respectfully encourage the European Commission to further promote alignment with ISSB Standards.
- In particular, we propose that detailed disclosures regarding processes—especially those relating to

¹ The Japanese Bankers Association is the leading trade association for banks, bank holding companies and bankers associations in Japan. As of 1 June 2026, JBA has 110 Full Members (banks), 3 Bank Holding Company Members (bank holding companies), 78 Associate Members (banks & bank holding companies), 49 Special Members (regionally-based bankers associations) and one Sub-Associate Member for a total of 241 members.

methodologies used in materiality assessments—be made voluntary. Under ISSB Standards, entities are required to disclose material risks and opportunities, but not necessarily the detailed processes used to identify them, except where required under IFRS S1 paragraph 74 (Judgements). In contrast, the ESRS continues to require extensive disclosures regarding such processes, which increases documentation burdens and may result in the provision of excessive information that is of limited decision-usefulness.

- Given that the primary objective of disclosure is to provide decision-useful information, we believe that priority should be placed on the disclosure of outcomes—namely, material topics, risks, and opportunities—while allowing disclosures relating to detailed processes to remain voluntary.

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We thank the European Commission again for the opportunity to comment on the draft revised ESRS and hope our comments will contribute to further consideration.

Yours faithfully,

Japanese Bankers Association