European Commission
DG Financial Stability, Financial Services and Capital Markets Union
Rue de Spa 2
1049 Brussels

2 June 2026

Dear Sir or Madam,

Subject: ICGN response to the consultation on the Sustainability Reporting Standard for Voluntary Use

The International Corporate Governance Network (ICGN) appreciates the opportunity to comment on the Sustainability Reporting Standard for Voluntary Use.

Led by investors responsible for assets under management of >US$100 trillion, ICGN is an authority on global standards of corporate governance and investor stewardship. Headquartered in London, our membership is based in more than 40 countries. ICGN's *Global Governance Principles* and *Global Stewardship Principles*, written from an investor perspective, are widely used by our members in their company assessments and voting decisions, and by regulators when developing corporate governance rules.

Investors rely on high-quality, consistent, comparable and reliable sustainability-related information to assess long-term value creation, manage portfolio risks and undertake effective stewardship. For this reason, ICGN's long-standing position is that investors are best served by mandatory sustainability reporting standards that are decision-useful, subject to appropriate assurance and applied consistently across markets.

ICGN recognises, however, that not all companies currently have the same capacity to report against mandatory sustainability reporting requirements. In this context, a voluntary standard can play a useful transitional role. It can help companies outside the mandatory scope of the Corporate Sustainability Reporting Directive (CSRD) begin building reporting capacity, respond more efficiently to information requests and prepare for a possible future expansion of reporting expectations.

However, voluntary reporting should be seen as the beginning of the journey, not the end point. The Commission should ensure that the scope and content of the voluntary standard adequately reflect investor needs, particularly in relation to financially material sustainability-related risks and opportunities. A voluntary framework that is too limited, or that does not provide information relevant to capital allocation and stewardship, would have limited value for investors and may not support the EU's broader objectives around market transparency, confidence and sustainable finance.

This is particularly important given the expected reduction in the number of companies subject to mandatory sustainability reporting. Investors will continue to require reliable sustainability-related information across their investment universe, including from companies outside the mandatory scope of CSRD. Where such information is not reported directly by companies, investors may need to rely more heavily on third-party data providers, sector averages or estimated data. This can reduce data quality, increase uncertainty and weaken comparability. The voluntary standard should therefore be designed to support the provision of core,

Third Floor, York House, 78 Queen Victoria Street, London, EC4N 4SJ
VAT No: 927 1665 09 | Registered in England No: 6467372
e: membership@icgn.org | **w:** www.icgn.org
in: International Corporate Governance Network

decision-useful information that investors need for risk assessment, valuation, portfolio construction, stewardship and regulatory reporting.

ICGN therefore encourages the Commission to accompany the voluntary standard with a clear roadmap for broader adoption over time. This should include consideration of how more companies can gradually come within the scope of consistent sustainability reporting requirements, taking into account proportionality, company size and implementation capacity. The voluntary standard should be treated as a capacity-building tool and a pathway towards more consistent reporting, rather than a substitute for mandatory, comparable and appropriately assured sustainability disclosure where such information is material to investors. Such a roadmap would provide companies with greater certainty, support capacity-building and help avoid a fragmented reporting landscape.

ICGN also welcomes the Commission's clarification that the value chain cap applies in the context of CSRD reporting obligations and does not prevent information requests made for other legitimate purposes, such as due diligence, risk management, contractual obligations or legal compliance. This distinction is important. While unnecessary reporting burdens should be avoided, companies and investors must remain able to obtain relevant additional information where necessary and proportionate.

In conclusion, ICGN supports the development of a proportionate voluntary reporting standard as a useful interim step. However, the EU's long-term objective should remain high-quality, consistent, mandatory and assured sustainability reporting that meets investor needs and supports confidence in European capital markets.

Thank you again for the opportunity to share our perspective on the Sustainability Reporting Standard for Voluntary Use. If you would like to follow up with questions or comments, please contact our Senior Policy Executive, Jakub Brejdak (policy@icgn.org).

Yours faithfully,

Jen Sisson

Jen Sisson

Chief Executive Officer, ICGN