SEG STOWARZYSZENIE EMITENTÓW GIEŁDOWYCH

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Polish Association of Listed Companies

Warsaw, 29 September 2025

Mr Patrick de Cambourg
Chair, Sustainability Reporting Board
Ms Chiara del Prete
Chair, Sustainability Reporting TEG
EFRAG

Dear Chairs,

Polish Association of Listed Companies represents companies amounting to over 80 percent of the total market cap of the Warsaw Stock Exchange. We have filled-in the public consultation questionnaire on draft revised European Sustainability Reporting Standards, but we would like to add the following points for your consideration in the due process of finalizing the drafts.

We welcome the overall simplification of language and structure of the standards, as it makes them more easily usable for companies. We would however warn that oversimplification may turn counterproductive. This relates in particular to use of new terms that are not defined or not defined precisely enough, such as "fair presentation" or "undue cost or effort" principle, as they may result in long discussions with auditors and discrepancies in application.

Several reliefs and transition provisions have been implemented into the draft revised ESRS. In relation to them we would recommend following a simple and strict logic. If a particular provision is too difficult for companies to comply with indefinitely, it should be removed from the standards. If a provision may be difficult to comply with in the first years of reporting, a temporary transition provision or temporary relief should be provided, for a period of one, two or three years. As a result of this logic, all permanent reliefs should be removed from the standards.

In particular the "undue cost or effort" relief should be applicable to the DMA process and metrics related to value chain data only. Use of this relief with metrics related to own operations may result in incomparable data and hamper competitive position of the majority of companies reporting all own operations data in relation to those companies that would overuse the relief to hide some inconvenient information.

Quantified anticipated financial effects are indispensable in sustainability reports as they are required by financial institutions. Lack of quantified anticipated financial effects will result in restricting companies' access to sustainable finance. We acknowledge difficulties companies may face in quantifying their anticipated financial effects. They are, however, most useful if they are prepared on a common methodology, they are field-tested before mandatory application and companies are able to prepare for it in a reasonable timeframe. For these reasons we recommend that EFRAG develops a uniform methodology for quantification of financial effects, consults on it and field-tests it, before companies may use this methodology (a 3-year transition period should be granted for companies). It should also be accompanied with appropriate tools.

We also strongly recommend EFRAG to develop and make publicly available a tool that would facilitate ESRS-compliant reporting. A tool was already developed for the VSME. It could be treated as a proof-of-concept. The tool for ESRS reporting would definitely be more complicated, but we encourage EFRAG to pursue this path, as it would be the main burden relief for companies.

We would like to congratulate EFRAG in delivering a substantial simplification in the draft revised ESRS and we kindly encourage the experts at SR Board, SR TEG and Secretariat to further contribute to a consistent system of sustainability reporting in the EU.

Yours sincerely,

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