

## **General comments from Bank Gospodarstwa Krajowego (BGK) regarding VSME ED consultations**

1. In our opinion, established methodologies and frameworks are crucial for SMEs to undertake value chain mapping, double materiality assessment and stakeholder dialogue. The absence of guidelines in this area will:
  - a. Markedly impede the credibility and accuracy of reporting
  - b. Adversely affect data comparability across companies and sectors
  - c. Diminish SMEs' inclination to report.
2. VSME standards for SMEs should precisely delineate the objectives of analyses across various time perspectives and specify which of them should be based on historical data versus forecasts. Forecasting methods and tools should be explicitly detailed in the relevant methodologies.
3. In our view, the framework for managing and disclosing physical risk, as well as guidance on transition planning, should be established as annex to the VSME. Such framework and guidance should encompass recommended data sources, systems and tools at both national and EU levels that can aid SMEs in developing transition plans and policies for managing and mitigating physical risk.
4. The quality of VSME translation is imperative for the effective integration of VSMEs into EU members' languages. Therefore, it is recommended that translations be authorized by EFRAG to address and mitigate misconception.
5. Ensuring the comprehensive preparation of the report is paramount. Given the absence of standardised definition of the value chain, efforts should be made to develop guidance on value chain management to assist SMEs in understanding how to effectively approach and define the value chain (within upstream and downstream) in their business relations. Otherwise, defining it (upstream and downstream) may pose as considerable challenge, and, consequently, reporting and comparing the resulting data or outcomes might be difficult.