

## **BSP Position on the Revision of the European Sustainability Reporting Standards (ESRS)**

### ***Executive Summary***

Business & Science Poland (BSP), together with its member companies representing strategic sectors of the European economy, welcomes the European Commission's efforts to simplify and streamline the European Sustainability Reporting Standards (ESRS). The proposed revisions constitute an important opportunity to improve the usability, proportionality and effectiveness of sustainability reporting while preserving the core objectives of the Corporate Sustainability Reporting Directive (CSRD).

The observations presented in this position paper reflect the practical experience of companies operating in sectors of strategic importance to the European Union, including energy, critical raw materials, transport infrastructure and industrial value chains. Despite operating in different sectors and business environments, participating companies have identified several common challenges relating to the implementation of ESRS, including legal overlaps, excessive reporting complexity, inconsistencies in interpretation, difficulties associated with value chain reporting, and the growing emphasis on highly uncertain forward-looking financial disclosures.

BSP and its members support the Commission's objective of reducing unnecessary reporting burdens. At the same time, simplification should not come at the expense of legal certainty, comparability of disclosures or practical applicability. The revised ESRS framework should therefore strike an appropriate balance between flexibility and standardisation while ensuring consistency with existing EU legislation and reporting frameworks.

Participating companies broadly support the overall direction of the proposed ESRS simplification package, particularly the reduction of mandatory datapoints, the streamlining of disclosure requirements and efforts to eliminate duplication across reporting obligations. Several stakeholders also emphasised that the revised framework provides greater flexibility for companies to tailor disclosures to their specific circumstances and material sustainability matters. Several stakeholders independently highlighted the need for standardised reporting templates, structured digital reporting tools and baseline catalogues of Impacts, Risks and Opportunities (IROs) to support greater consistency, comparability and practical implementation of the ESRS framework.

### ***1. Ensuring Legal Coherence and Avoiding Duplication of Reporting Requirements***

A recurring concern raised across sectors relates to the growing overlap between ESRS disclosures and existing obligations under EU environmental, product and sustainability legislation. Companies already report substantial volumes of information under frameworks such as the EU Taxonomy Regulation, REACH Regulation, the Industrial Emissions Directive (IED), the Industrial Emissions Portal, E-PRTR and other sector-specific regulatory instruments.

The revised ESRS should avoid introducing additional disclosure obligations where equivalent information is already collected and reported under existing EU legislation. Requiring companies to reproduce the same information across multiple reporting frameworks increases compliance costs without generating additional value for investors or stakeholders.

In BSP's view, the revised standards should explicitly permit cross-referencing to information reported under existing regulatory frameworks and databases wherever possible. Such an approach would improve legal coherence, reduce duplication, increase consistency of disclosures and contribute directly to the simplification objectives pursued by the European Commission.

Stakeholders also stressed the importance of ensuring consistency between sustainability reporting and other reporting obligations arising under EU and national legislation. New ESG-related requirements should build upon existing reporting frameworks rather than introduce overlapping disclosure obligations that increase complexity without enhancing transparency.

## ***2. Preserving Proportionality and Achieving Meaningful Burden Reduction***

While the proposed amendments move in the right direction, companies continue to express concerns regarding the practical level of reporting effort required under the revised framework. Simplification should translate into a tangible reduction of administrative burden, data collection efforts and compliance costs.

The introduction of relief provisions, phase-in measures, materiality-based disclosures and exemptions represents a positive development. However, these measures should be preserved and, where appropriate, expanded to ensure that reporting obligations remain proportionate to the information needs of users.

Several stakeholders also highlighted that sustainability reporting requirements should better reflect the maturity and development stage of reporting entities. In particular, newly established industrial undertakings carrying out strategic clean-tech investments may face disproportionate compliance burdens during the early years of operation. Consideration could therefore be given to transitional arrangements, phased implementation mechanisms and proportionate reporting requirements for emerging industrial sectors supporting the EU's decarbonisation objectives.

Particular attention should be paid to areas where data availability remains limited, especially within value chains, joint operations and complex international corporate structures. Companies should not be required to disclose information that cannot reasonably be obtained without disproportionate cost or effort.

Several participating stakeholders welcomed the Commission's efforts to reduce the number of mandatory disclosures and simplify reporting structures. These changes are seen as an important step towards a more proportionate sustainability reporting framework that allows undertakings to focus on information that is genuinely material while reducing administrative complexity.

## ***3. Improving Comparability Through Greater Standardisation***

While BSP supports a more flexible and materiality-driven reporting framework, increased flexibility may inadvertently create significant divergences in reporting practices across companies and sectors.

The absence of common reporting formats, baseline disclosure expectations and practical implementation guidance could result in varying interpretations of ESRS requirements by both reporting entities and assurance providers. This may ultimately undermine one of the key objectives of the CSRD: ensuring comparability of sustainability information for investors and stakeholders.

To address this risk, BSP recommends the development of standardised reporting templates, structured digital reporting tools and a catalogue of baseline Impacts, Risks and Opportunities (IROs) associated with individual ESRS standards. Such measures would improve consistency while preserving sufficient flexibility for entity-specific disclosures.

Several stakeholders also emphasised the importance of developing structured digital reporting tools and a baseline catalogue of Impacts, Risks and Opportunities (IROs) linked to individual ESRS standards. Such measures would provide reporting entities with a common reference framework while preserving sufficient flexibility to reflect entity-specific circumstances. In addition, stakeholders highlighted the potential value of sector-specific materiality assessment methodologies, which could contribute to more consistent application of the Double Materiality Assessment (DMA) framework and improve comparability among companies operating within the same industry.

Furthermore, the development of practical audit guidelines and assurance checklists would facilitate more harmonised verification practices across Member States.

BSP further supports greater harmonisation of sustainability assurance practices across Member States, including the development of common assurance guidelines, verification methodologies and practical audit checklists. Such measures would improve consistency, comparability and reliability of sustainability disclosures while reducing interpretative divergences among assurance providers.

While greater flexibility is broadly welcomed, some stakeholders noted that interpretative challenges may arise in relation to entity-specific material topics that are not covered by existing ESRS topical standards or available sector-specific guidance. Additional implementation guidance could therefore be beneficial to support consistent application across reporting entities while preserving the intended flexibility of the revised framework.

The use of recognised sectoral datasets, industry benchmarks and proxy data may also provide a practical solution in situations where company-specific information is unavailable or cannot reasonably be verified, particularly within complex value chains.

#### ***4. Refining the Double Materiality Assessment Framework***

The proposed revisions to the Double Materiality Assessment (DMA) framework represent one of the most important simplification measures within the revised ESRS package.

Companies broadly welcome the efforts to improve the structure and readability of the DMA process and to strengthen the connection between materiality assessments, strategy, governance and reporting.

However, further clarification remains necessary, particularly regarding the treatment of diversified corporate groups operating across multiple sectors and business models. The requirement to conduct a single consolidated DMA may either lead to excessive simplification or result in unnecessarily broad reporting scopes that capture issues of limited relevance to particular business segments.

Additional guidance on DMA aggregation methodologies, materiality updates and sector-specific assessments would significantly improve consistency and practical implementation.

Several stakeholders also advocated the development of sector-specific DMA methodologies to improve consistency and comparability among companies operating within the same industry.

### **5. Reconsidering Mandatory Disclosure of Anticipated Financial Effects**

One of the most significant concerns raised by participating companies relates to the mandatory disclosure of anticipated financial effects associated with sustainability-related impacts, risks and opportunities.

While BSP recognises the importance of understanding the financial implications of sustainability matters, current methodologies remain insufficiently mature to support reliable, comparable and decision-useful quantitative disclosures.

The estimation of future financial effects often relies on highly uncertain assumptions, extended forecasting horizons and complex modelling exercises. In many cases, the resulting figures may be speculative and subject to significant interpretation, thereby limiting comparability across reporting entities.

Moreover, mandatory disclosure of forward-looking financial information may create tensions with existing securities law requirements and obligations relating to inside information and market-sensitive disclosures.

Several stakeholders further noted that the absence of a harmonised methodology for assessing and quantifying anticipated financial effects remains a significant obstacle to consistent implementation. In the absence of commonly accepted methodological guidance, reported figures may rely heavily on assumptions, resulting in limited comparability across undertakings and sectors. Stakeholders therefore advocated either a voluntary approach to such disclosures or the introduction of a transitional period until robust and broadly accepted methodologies have been developed at EU level.

BSP therefore recommends that anticipated financial effects disclosures remain voluntary, or alternatively be limited to qualitative disclosures during a transitional period, until robust, harmonised and widely accepted methodologies have been developed at EU level.

### **6. Establishing a Practical and Risk-Based Approach to Value Chain Reporting**

Value chain reporting continues to represent one of the most challenging aspects of sustainability reporting.

Although the revised ESRS introduces welcome simplifications, significant practical difficulties remain, particularly for companies operating within complex international supply chains, joint ventures, non-operated assets and downstream value chains.

Companies frequently lack direct access to reliable information beyond their immediate business relationships. As a result, extensive reporting obligations covering multiple tiers of suppliers and customers may prove disproportionate and difficult to verify.

BSP therefore supports a more risk-based approach to value chain reporting, aligned with the principles of the Corporate Sustainability Due Diligence Directive (CSDDD). Reporting expectations should focus primarily on direct business relationships unless material risks or impacts justify a broader assessment.

Particular attention should be paid to situations where information cannot reasonably be obtained from SMEs or other smaller value chain partners despite reasonable efforts by reporting entities.

Several stakeholders noted that reporting entities frequently lack direct access to reliable information beyond their immediate suppliers. In complex industrial supply chains, particularly those involving critical raw materials and globally dispersed sourcing networks, the collection and verification of data from lower-tier suppliers may be impractical and disproportionately burdensome. A more risk-based approach focused primarily on Tier 1 suppliers and, where appropriate, Tier 2 suppliers could improve feasibility while maintaining meaningful transparency.

### **7. Sector-Specific Observations**

While many challenges are shared across sectors, participating companies have also identified several issues specific to their respective industries.

For transport infrastructure operators, the primary concern relates to ensuring comparability of sustainability reporting through greater standardisation, audit consistency and clearer guidance for corporate groups.

For industrial and extractive companies, particular attention should be paid to avoiding duplication with existing environmental legislation, maintaining coherence with established environmental reporting systems and ensuring practical implementation of substance-related disclosure requirements.

For energy and industrial groups operating complex international value chains, additional simplification is required in areas such as microplastics, substances of concern, greenhouse gas reporting boundaries, anticipated financial effects and value chain disclosures.

These sector-specific observations complement the horizontal recommendations outlined above and provide practical examples of implementation challenges faced by reporting entities across the European economy.

For emerging clean-tech manufacturing sectors, including battery and electric mobility value chains, stakeholders highlighted the need for proportionate reporting requirements during the scale-up phase, practical approaches to Scope 3 and value chain reporting, and appropriate safeguards for commercially sensitive technological information.

### **Concluding Remarks**

BSP and its member companies strongly support the European Commission's objective of simplifying the ESRS framework and improving the effectiveness of sustainability reporting.

The revision process provides an important opportunity to create a reporting framework that remains useful for investors while being proportionate, practical and aligned with existing regulatory obligations. Achieving this objective will require continued attention to legal coherence, proportionality, comparability and implementation feasibility.

The participating companies remain available to provide additional technical expertise and practical insights that may support the further development of the ESRS framework and contribute to the successful implementation of the European sustainability reporting agenda.

**Technical Annexes*****Annex I – Detailed Technical Comments – KGHM Polska Miedź S.A.***

*This annex reflects the views of the respective company and is provided for informational purposes in support of BSP's consolidated position.*

*English Translation*

**KGHM Polska Miedź S.A. Position on the Revision of the European Sustainability Reporting Standards (ESRS)**

In the context of the public consultation launched by the European Commission regarding Commission Delegated Regulation (EU) 2023/2772 and the simplification of the European Sustainability Reporting Standards (ESRS), KGHM Polska Miedź S.A. hereby presents its position.

KGHM Polska Miedź S.A. is one of the leading producers of copper, silver and associated metals in the European Union, including being the only European producer of rhenium from its own mineral resources. Due to the scale of its operations and its position within European and global value chains, KGHM's activities have a direct bearing on the European Union's raw material security and energy resilience.

The metals produced by KGHM Polska Miedź S.A. are also of strategic importance to the defence and security sectors, including the production of communication systems, electronics, ammunition, military vehicles, jet engines and missile technologies (through the use of rhenium). Ensuring reliable European sources of supply for these critical raw materials should therefore constitute an important pillar of the European Union's defence strategy. In this context, KGHM's operations and investment projects should be regarded as activities of strategic importance to the European Union.

KGHM Polska Miedź S.A. welcomes the overall direction of the changes proposed by the European Commission. Nevertheless, in the current economic, regulatory and geopolitical environment, it is essential to ensure coherence between sustainability reporting requirements and existing EU environmental legislation in order to avoid overlaps and duplicative obligations.

A significant amount of environmental, social and governance (ESG) information is already reported annually under other legal frameworks, including the EU Taxonomy Regulation, the Industrial Emissions Directive (IED) and the European Pollutant Release and Transfer Register (E-PRTR), and is publicly available through established reporting databases.

To ensure consistency within the sustainability reporting framework, ESRS should not introduce additional and costly reporting requirements relating to pollution where such requirements duplicate obligations already arising from legislation such as the Industrial Emissions Directive. Companies falling within the scope of the IED should be permitted to refer directly to pollutant data reported pursuant to Regulation (EU) 2024/1244 on the Industrial Emissions Portal. Such an approach would enhance legal coherence, prevent regulatory overlap, reduce reporting burdens and ensure alignment with existing regulatory frameworks.

ESRS should therefore explicitly allow undertakings to cross-reference such information in their sustainability statements without requiring duplication of disclosures.

### **Materiality Assessment – Reinstating the Reference to the Environmental Footprint Methodology**

The current CSRD Delegated Act explicitly refers to environmental footprint methodologies as a tool for conducting materiality assessments, stating that:

“When assessing materiality, the undertaking may consider Commission Recommendation (EU) 2021/2279 on the use of Environmental Footprint methods to measure and communicate the life cycle environmental performance of products and organisations.”

The revised ESRS removes this explicit reference, creating an inconsistency with the CSRD Delegated Act and weakening the methodological transparency of the materiality assessment framework.

KGHM believes that this reference should be reinstated in the revised ESRS to ensure consistency with the CSRD legal framework and to provide undertakings with a robust, science-based methodology for assessing environmental materiality throughout the product and organisational life cycle.

### **Double Materiality Assessment**

The proposed amendments concerning the Double Materiality Assessment (DMA) have the potential to significantly simplify the assessment process while clarifying aspects that were insufficiently addressed under the current ESRS framework.

Simplifying the materiality assessment process can reduce excessive administrative burdens while improving the usefulness of disclosed information and enabling undertakings to focus on identifying and reporting genuinely material sustainability matters.

KGHM also welcomes the restructuring of the materiality assessment process and the reorganisation of Chapter 3 of ESRS 1, aimed at improving readability and facilitating a clearer understanding of individual stages of the assessment process. In our view, these changes may support more consistent and practical application of ESRS requirements.

With regard to clarifying the frequency of conducting DMA assessments, we believe that the term “update” should be used instead of “reassessment”, as it is perceived as less burdensome and more accurately reflects the continuous nature of materiality management processes.

### **Excessive Focus on Detailed Financial Impacts**

The increasing emphasis on financial effects, understood as detailed disclosures concerning the incorporation of sustainability-related risks and opportunities into financial planning, financial performance, cash flows, financial statement adjustments (including potential impairments) and capital expenditure projections, warrants careful reconsideration.

Such extensive financial disclosure requirements may significantly increase the complexity of sustainability reporting and the organisational burden on reporting entities, particularly due to the need to integrate non-financial data with financial planning and financial reporting processes.

In many cases, precise quantification of the financial impacts of individual ESG-related risks and opportunities involves a high degree of uncertainty and requires numerous assumptions, potentially reducing the comparability and reliability of disclosed information.

Moreover, an excessive focus on financial effects may lead to the marginalisation of qualitative aspects of managing impacts, risks and opportunities, which are often critical for understanding an undertaking's long-term resilience and strategic direction.

There is also a risk of requiring disclosure of commercially sensitive or forward-looking information that may not be directly attributable to specific financial statement items, while at the same time carrying significant competitive implications.

It should also be noted that the KGHM Group has not historically published financial forecasts, as such disclosures remain voluntary under applicable regulations. Consequently, any expectations regarding detailed forward-looking disclosures relating to ESG impacts on future financial performance, cash flows or investment values should be clearly and precisely aligned with national regulatory frameworks to ensure that the principle of voluntary disclosure is not contradicted by mandatory reporting requirements.

### **Reduction of Reporting Requirements**

KGHM positively assesses the reduction of reporting requirements and the removal of duplicated disclosures as an important step towards enhancing the transparency and efficiency of sustainability reporting.

Reducing overlapping reporting obligations allows for a more coherent and streamlined presentation of information while decreasing organisational burdens on reporting entities.

As a result, undertakings can focus on disclosing information that is genuinely material to their operations, impacts, risks and opportunities, thereby improving the relevance and usefulness of sustainability reports for stakeholders.

### **Value Chain Reporting**

The proposed amendments to ESRS 2 significantly simplify value chain reporting without reducing the reporting entity's responsibility regarding upstream and downstream value chain impacts.

The changes focus on reducing highly prescriptive disclosure requirements and strengthening the link between reporting, double materiality assessments, strategy and governance processes.

In particular, ESRS 2 moves away from detailed disclosures regarding the extent to which materiality assessments, policies, actions, targets and metrics cover upstream and downstream value chain elements. Under the revised approach, only a general overview of the extent to which the sustainability statement covers the value chain is required, in accordance with ESRS 1.

The revised ESRS also removes separate disclosure requirements regarding estimations and uncertainties associated with value chain data. These aspects are now integrated into general reporting principles concerning assumptions, limitations and relief provisions, thereby reducing duplication and simplifying reporting structures.

For the KGHM Group, this means fewer formal disclosures dedicated exclusively to value chain reporting and a stronger focus on a coherent narrative based on materiality and due diligence processes. These changes may reduce reporting burdens while enhancing the quality and integration of value chain information throughout sustainability reporting.

### **Transfer of Pollutants to External Treatment Facilities**

The requirement to report transfers of pollutants to external treatment facilities (AR 3 – Transfer of Pollution to External Treatment Plants) should be removed from mandatory reporting requirements.

Such transfers do not constitute emissions to the environment. Reporting them as pollution-related information may lead to misinterpretation and create a distorted picture of an undertaking's actual environmental impacts.

### **Disclosure of SVHC Substances in Articles**

Amendment 35 introduces a new paragraph requiring manufacturers, importers and users of articles containing Substances of Very High Concern (SVHCs) above 0.1% weight by weight to disclose the names of such substances pursuant to Article 33 of the REACH Regulation.

While such requirements may be manageable for manufacturers and importers, they are likely to be disproportionately burdensome and, in many cases, practically impossible to fulfil for downstream users of articles.

Companies purchasing a large number of complex products often lack both access to detailed compositional information and legal means of obtaining such information from suppliers.

KGHM therefore proposes removing the phrase “or users of articles” from the provision, limiting disclosure obligations to manufacturers and importers.

Furthermore, information regarding SVHC substances is already reported under the Waste Framework Directive through the SCIP database maintained by the European Chemicals Agency (ECHA). Extending similar obligations to users of articles under ESRS would duplicate existing regulatory requirements and impose obligations that exceed the practical capabilities of many undertakings.

### **Final Remarks**

KGHM Polska Miedź S.A. remains convinced that rationalising sustainability reporting requirements will not weaken environmental protection. On the contrary, it will strengthen it by improving reporting efficiency, reducing unnecessary administrative burdens and enhancing the quality, relevance and reliability of disclosed information.

### ***Annex II – Detailed Technical Comments – LOT***

*This annex reflects the views of the respective company and is provided for informational purposes in support of BSP's consolidated position.*

*English Translation***Additional Comments on the Revision of the European Sustainability Reporting Standards (ESRS)**

- 1) Strengthening and standardising the Double Materiality Assessment (DMA) framework, including clearer integration between materiality assessment, strategy, governance and sustainability reporting, as well as the introduction of sector-specific assessment methodologies to improve consistency and comparability across companies operating within the same sector.
- 2) Development of standardised reporting templates, structured digital reporting tools and a baseline catalogue of Impacts, Risks and Opportunities (IROs) linked to individual ESRS standards for all entities subject to the CSRD. Such measures would improve comparability, reduce interpretative divergences and facilitate more consistent implementation of the reporting framework.
- 3) Ensuring greater consistency between sustainability reporting and other mandatory reporting obligations arising under national and EU legislation, with the objective of reducing duplication and promoting coherence across regulatory frameworks.
- 4) Avoiding the proliferation of overlapping ESG reporting requirements across successive regulatory initiatives. New sustainability-related regulations should build upon existing reporting obligations rather than introduce additional and potentially duplicative disclosure requirements.
- 5) Developing a harmonised methodology for anticipated financial effects disclosures and making such disclosures voluntary. Given the current lack of mature and widely accepted methodologies, anticipated financial effects should either remain voluntary or be subject to a transitional approach until robust and comparable methodologies are established.
- 6) Exempting companies from reporting value chain data that cannot reasonably be obtained from smaller business partners. Reporting entities should not be required to disclose information that is unavailable or disproportionately burdensome to collect, particularly from SMEs and other smaller entities within the value chain.
- 7) Providing dedicated support for SMEs, including free reporting tools and greater alignment between the Voluntary Sustainability Reporting Standard for SMEs (VSME) and the ESRS framework. Harmonisation of data requirements would facilitate data aggregation and consolidation across value chains while reducing administrative burdens on smaller companies.
- 8) Harmonising and standardising the sustainability assurance process, including the development of a clear catalogue of assurance guidelines, audit methodologies and verification criteria. This would support greater consistency in assurance practices across Member States and improve the reliability and comparability of sustainability disclosures.

***Annex III – Detailed Technical Comments – ORLEN S.A.***

*This annex reflects the views of the respective company and is provided for informational purposes in support of BSP's consolidated position.*

*English Language*

### **ORLEN's position regarding the Commission's draft Delegated Act – simplified European Sustainability Reporting Standards (ESRS)**

ORLEN welcomes the Commission's efforts to address the issues identified in EFRAG's technical advice from December 2025. We would like to reiterate that the primary objective of the ESG Omnibus should be to achieve a meaningful reduction in compliance costs while maintaining transparency that remains useful for decision-making.

Although the draft Delegated Act contains a number of welcome improvements, some of the proposed simplifications and clarifications are insufficient and may result in only a limited decrease in the reporting burden. In light of this, ORLEN recommends:

- **Maintain the removal of the data point related to secondary microplastics**

We strongly endorse the removal of the data point related to secondary microplastics (E2-4), limiting the scope to primary microplastics only. As highlighted in EFRAG's technical advice from December 2025, this requirement was inconsistent with the overarching goal of streamlining the standards. It notably broadened the scope of DR E2-4 to include the downstream value chain where companies typically have minimal visibility and limited control over how their products are used once they leave their facilities. As a result, collecting dependable data in such contexts is highly complex and, in some cases, simply not achievable.

Furthermore, estimating downstream microplastic emissions would have been particularly difficult and potentially unworkable due to the lack of a reliable methodology for calculating secondary microplastics (i.e. those generated unintentionally through degradation or wear under highly context-dependent circumstances). This, in turn, would have created additional challenges from an audit perspective as materiality assessments depend on data that is traceable, measurable, and suitable for risk evaluation.

- **Keep the clarification concerning compliance with the concept of 'fair presentation'**

The concept of 'fair presentation' in sustainability reporting introduces significant challenges and potential legal uncertainty. Due to its broad and undefined nature, it may lead to an open-ended scope of reporting, requiring companies to anticipate unclear expectations and possibly disclose entity-specific information beyond what is explicitly required by the ESRS.

However, the clarification provided in par. 21, ESRS 1 seems to mitigate these concerns, as it confirms that compliance with ESRS requirements results in a sustainability statement that achieves fair presentation.

- **Preserve flexibility in defining reporting boundaries for GHG emissions**

ORLEN supports allowing companies the flexibility to select either the 'financial control' or the 'operational control' approach, as outlined in ESRS E1-8 AR 19. This approach is well aligned with IFRS S2, particularly par. 29 (ii), 29 (iii) and application guidance in B27 which allows entities to choose one of the GHG Protocol methodologies (i.e. equity share, financial control, or operational control).

- **Continue to apply the introduced relief measures, phase-in provisions and exemptions**

We welcome the wide range of permanent reliefs, phase-in provisions and exemptions introduced by EFRAG to ease the reporting burden on preparers. In particular:

- Undue cost and effort (ESRS 1, par. 93). This proportionality mechanism enables companies to address challenges related to data availability which remains one of the key difficulties in sustainability reporting, especially across the value chain. This relief should not be time-limited.
  - Exclusion of joint operations from environmental metrics (ESRS 1, par. 92). This provision recognises the practical constraints related to data availability in joint operations where an entity does not exercise operational control. Allowing such exclusions is a pragmatic solution that improves both the feasibility and consistency of reporting while preventing duplication.
  - Omission of sensitive information (ESRS 1, par. 101). This measure addresses a major concern for companies regarding sustainability disclosures and is consistent with the amendments introduced in the CSRD by the ESG Omnibus.
  - Deferred reporting of acquisitions and forward-looking disclosure of disposals (ESRS 1, par. 74). This provision is particularly relevant when transactions occur near the end of the reporting period. It should be retained, as it provides additional flexibility without limiting the availability of information.
- **Ensure that disclosure requirements on human rights incidents remain balanced**

Focusing reporting on ‘substantiated’ human rights incidents and ‘ongoing’ proceedings would improve the relevance and decision-usefulness of disclosures while at the same time easing the reporting burden for companies.

- **Exclude Substances of Concern (SoCs) from the ESRS and instead focus on Substances of Very High Concern (SVHCs)**

While we welcome the phase-in measures for SoCs and SVHCs, we note that these do not resolve the fundamental challenges of this requirement. The current SoC framework under E2-5 is overly complex with a rapidly evolving and extensive list, making reporting burdensome, unreliable and difficult to implement, especially given unclear definitions, lack of consistent criteria, and limited data availability.

The broad scope also leads to interpretation differences, reducing comparability and potentially resulting in low-quality disclosures. Moreover, the ESRS definition diverges from REACH, adds unnecessary complexity and is difficult to apply globally.

To improve clarity and feasibility, SoCs should be removed from ESRS, with reporting limited to SVHCs as defined under REACH. SVHCs are clearly established, regularly updated and ensure consistency, usability and alignment with existing regulation, while reducing complexity and reporting burden.

This would be in line with the simplification efforts achieved in the context of the EU Taxonomy generic Do Not Significant Harm (DNSH) criteria for the Pollution Prevention and Control (PPC) objective (i.e. Appendix C). The Delegated Act from 4 July 2025 removed par. f) bis from Appendix C, which also required undertakings to assess a broad list of substances.

- **Harmonise the definition of microplastics with REACH and prevent duplicative reporting requirements**

We acknowledge that the revised definition of microplastics is based on the existing restriction under Annex XVII of REACH (entry 78). However, we note how the REACH restriction goes beyond microplastics (i.e. synthetic polymer microparticles), therefore the definition in this context is not fit-for-purpose, as it is broader than microplastics. To ensure consistency, the ESRS should instead explicitly refer to “synthetic polymer microparticles.”

It is also worth highlighting that, in the case of primary microplastics (as referenced in ESRS E2-4, par. 16), reporting obligations already exist in the EU under the REACH restriction addressing the use of intentional synthetic polymeric microparticles (Annex XVII, Entry 78), and also in the future regulation on preventing plastic pellet losses. This causes additional burden for EU companies through multiple reporting.

- **Establish a clear and consistent methodology for assessing anticipated financial impacts**

We welcome the clarifications on disclosing anticipated financial effects, particularly the safeguards regarding uncertain estimates and the possibility to omit certain information under ESRS 1, Chapter 1.1.

However, we note how reporting in this area remains highly complex and burdensome. As acknowledged in the ESRS, such disclosures rely heavily on estimates, often based on uncertain and forward-looking assumptions which limit comparability due to the lack of consistent and well-developed methodologies. A harmonised calculation approach should therefore be established before making these disclosures mandatory. Until then, reporting should remain limited to qualitative information. In practice, any material financial risks identified would already be reflected in financial statements.

- **Clarify that value chain scoping defaults to direct (Tier 1) business relationships with higher-tier assessment required only where impacts are demonstrably material, in line with the risk-based approach in CSDDD**

Despite the strengthening of the value chain feasibility framework, the revised ESRS draft does not introduce a Tier 1 default. Without a clear starting point based on direct business relationships, there is a risk that supervisory and assurance expectations may gradually expand, especially given the broad definition of the value chain and limited constraints on indirect relationships. This is particularly challenging for companies with complex contractor structures, non-operated assets, joint ventures and downstream product-use exposure where access to data across multiple tiers is structurally constrained and often not verifiable.

Aligning value chain scoping with direct relationships would better reflect the risk-based due diligence approach under the CSDDD and reduce the risk of overly expansive expectations.

- **Remove mandatory anticipated financial effects disclosures from the ESRS**

The Commission maintains mandatory disclosure of anticipated financial effects. ESRS 2 par. 27 still requires both qualitative and quantitative information on expected impacts on financial position, performance and cash flows while ESRS E1-11 remains highly detailed, including figures on carrying amounts, revenue exposure and potential stranded assets. At the same time, useful flexibilities are

introduced allowing companies to omit quantitative data where impacts cannot be separately identified, uncertainty is too high or capabilities and resources are insufficient and applies the ‘reasonable and supportable information without undue cost or effort’ standard.

While these flexibilities are helpful, they do not address the core issue. These disclosures require complex financial modelling, forward-looking assumptions and partial alignment with financial statements for information not covered by existing accounting frameworks or controls, often extending far beyond normal planning horizons. This becomes increasingly uncertain and commercially sensitive over time. For listed companies, this creates additional challenges due to securities law and market disclosure obligations on forward-looking and inside information. Mandatory disclosure of quantified projections and asset exposures may conflict with these frameworks when assumptions are uncertain or not formally disclosed through established investor communication channels.

Therefore, we recommend removing the mandatory requirement to disclose anticipated financial effects. If retained, disclosures should be voluntary and limited to qualitative explanations only.

- **Limit mandatory CapEx and OpEx disclosures to a high-level narrative description of significant sustainability-related financial commitments**

Par. 46 of ESRS 2 (GDR-A) still requires disclosure of financial resources allocated to sustainability-related actions in the reporting period, together with indicative future ranges, with AR 39 allowing a tabular split between Capex and Opex.

In practice, allocating such costs is complex and requires detailed methodologies and alignment with financial statements and EU Taxonomy reporting. For asset-intensive sectors, consistently distinguishing between operational spending and broader investments is difficult, especially across global structures. These disclosures often rely on forward-looking assumptions but sit outside established financial controls, creating inconsistency risks and effectively a parallel reporting system, contrary to simplification goals.

Therefore, we recommend limiting mandatory disclosures to a high-level narrative of key sustainability commitments and avoiding quantitative reporting unless already available through financial reporting processes.

#### ***Annex IV – Detailed Technical Comments – Polish Airports (Polskie Porty Lotnicze S.A., PPL S.A.) jointly with PPL Capital Group (PPL Group)***

*This annex reflects the views of the respective company and is provided for informational purposes in support of BSP's consolidated position.*

*English Translation*

#### **Position of Polish Airports, Polskie Porty Lotnicze S.A. (PPL S.A.) on the Revision of the European Sustainability Reporting Standards (ESRS)**

In response to your communication of 6 May 2026 concerning the submission of general comments within the ongoing consultation process on the draft Delegated Regulation, namely the revised European Sustainability Reporting Standards (ESRS), Polish Airports, Polskie Porty Lotnicze S.A. (PPL S.A.) hereby submits its position and comments on the proposed revisions.

This position has been prepared in cooperation with representatives of companies within the PPL Capital Group (PPL Group) that are subject to consolidated non-financial reporting obligations.

As the PPL Group, we welcome the overall direction of the proposed changes aimed at reducing excessive reporting granularity and strengthening the application of the materiality principle. We view the proposed simplifications, including the reduction of mandatory datapoints and increased flexibility in the presentation of information, as a positive step towards a more proportionate, practical and efficient sustainability reporting framework.

At the same time, we would like to draw attention to the fact that greater interpretative flexibility within the proposed provisions may, in practice, create implementation challenges and reduce the comparability of sustainability reports across reporting entities. In particular, the absence of more standardised reporting tools and formats may lead to significant divergences in how ESRS requirements are interpreted and applied by both undertakings and auditors.

As a consequence, even entities operating in similar sectors and carrying out comparable activities may ultimately disclose substantially different sets of information. This could undermine one of the key objectives of the Corporate Sustainability Reporting Directive (CSRD), namely ensuring the comparability of sustainability-related information for investors and other stakeholders.

In this context, we would encourage the European Commission and EFRAG to consider introducing additional measures aimed at supporting a more harmonised implementation of the ESRS framework, in particular:

### **1. Standardised reporting formats and supporting digital tools**

The introduction of standardised reporting formats supported by appropriate digital tools enabling structured data input, while preserving the possibility to tailor disclosures to the specific circumstances of individual undertakings.

Such an approach would help reduce the risk of divergent interpretations of reporting requirements while maintaining the flexibility necessary to reflect different business models and operational realities.

### **2. A catalogue of baseline Impacts, Risks and Opportunities (IROs)**

The development of a catalogue of core mandatory Impacts, Risks and Opportunities (IROs) linked to individual ESRS standards, which could serve as a common reference point for reporting entities.

Undertakings would subsequently expand this baseline catalogue by identifying and disclosing additional entity-specific IROs relevant to their business activities.

Such an approach would enhance consistency and comparability across sustainability reports while reducing the risk of excessive interpretative discretion.

### **3. Clear audit guidance and verification checklists**

The development of transparent audit guidelines and practical verification checklists defining the minimum scope and sequence of assurance procedures applicable to sustainability reporting.

This would facilitate preparation for both reporting entities and assurance providers, while promoting greater consistency in audit and assurance practices across the European Union.

#### **4. Clarification of reporting requirements for corporate groups**

Further clarification is needed regarding sustainability reporting at the level of corporate groups, particularly where groups comprise entities operating in different sectors and under diverse business models.

Under the current framework, the requirement to perform a single consolidated Double Materiality Assessment (DMA) for the entire group may result either in excessive simplification and the omission of material sector-specific issues, or conversely in an overly broad reporting scope encompassing all potentially relevant sustainability topics without adequate prioritisation.

We therefore believe that additional guidance should be provided regarding the aggregation and reporting of DMA results across different sectors within a single corporate group.

In this regard, the introduction of the above-mentioned catalogue of baseline IROs would also be beneficial in supporting consistency and comparability.

#### **Concluding remarks**

In conclusion, we consider the proposed simplification of the ESRS framework to be a positive and appropriate regulatory development.

However, its successful implementation will require the introduction of more practical standardisation mechanisms capable of reducing interpretative divergences while ensuring an appropriate level of comparability, consistency and reliability of reported information.

At the same time, we emphasise the importance of maintaining an appropriate balance between regulatory flexibility and the degree of precision necessary to ensure a coherent and effective reporting framework.

We remain at your disposal should further clarification of the above comments be required and would welcome the opportunity to contribute to future discussions and technical work concerning the development of the revised ESRS framework.

#### ***Annex V – Observations – Port Polska***

*This annex reflects the views of the respective company and is provided for informational purposes in support of BSP's consolidated position.*

*English Translation*

#### **Port Polska's Observations on the Draft Simplified European Sustainability Reporting Standards (ESRS)**

Port Polska has reviewed the draft simplified ESRS standards and, in principle, welcomes the overall direction of the proposed amendments, particularly with regard to the reduction of mandatory disclosure requirements and the efforts to minimise the duplication of information across different sections of sustainability reports.

At the same time, certain interpretative gaps remain apparent, particularly concerning the scope of entity-specific disclosures, namely material topics that are not covered by the ESRS topical standards and are not addressed by the existing IFRS sector-specific guidance (formerly SASB Standards). Nevertheless, the proposed approach provides reporting entities with greater flexibility in selecting indicators that are proportionate to their size, business profile and the specific impacts, risks and opportunities identified through the materiality assessment process.

At this stage, Port Polska has not identified any material concerns that would warrant the submission of additional recommendations within the scope of the present consultation.

### ***Annex VI – Detailed Technical Comments – ElectroMobility Poland***

*This annex reflects the views of the respective company and is provided for informational purposes in support of BSP's consolidated position.*

*English Language*

#### **ElectroMobility Poland's proposal of input to the Commission Delegated Regulation amending Delegated Regulation (EU) 2023/2772 as regards the simplification of certain sustainability reporting standards**

##### **1. Reduction of Scope 3 reporting obligations for vehicle manufacturers**

#### **Current problem**

The biggest burden for EV manufacturers remains Scope 3 emissions related to:

- battery production,
- extraction of raw materials,
- the activities of Tier 1-Tier n suppliers,
- global logistics.

In practice, the manufacturer does not have full control over the quality of this data.

#### **Proposed amendment**

Rule Introduction:

"A company can use sectoral data or data provided by cell manufacturers for the first 10 years of production activity without the need for independent verification."

### **Benefits**

- reduction of reporting costs,
- reducing the risk of liability for erroneous supplier data,
- easier launch of new EV plants.

## **2. Special status for new EV (Green Industrial Scale-Up) manufacturers**

### **Current problem**

A new electric car manufacturer is subject to essentially the same obligations as:

- Volkswagen,
- Stellantis,
- Mercedes-Benz.

This causes disproportionate burdens.

### **Proposed amendment**

Category Introduction:

„Strategic Clean Mobility Manufacturer”.

For enterprises:

- producing only zero-emission vehicles,
- with less than 10 years of production activity,
- carrying out industrial investments above EUR 500 million.

### **Effect**

- simplified ESRS for the first 5-7 years of operation;
- limited scope of ESG audit,
- simplified supply chain reporting.

### **3. Disable reporting of battery technology details**

#### **Current state**

The design allows you to protect business secrets.

#### **Proposal**

Clarification that the following may be excluded from reporting:

- cell chemistry,
- battery parameters,
- BMS architecture,
- degradation rates,
- material recovery technologies.

#### **Advantage**

Protecting the know-how of European manufacturers from competition from China.

### **4. Simplify reporting for renewable energy factories**

#### **Proposal**

If the bet:

- uses >90% of RES energy,
- has certified renewable energy,

should benefit from simplified climate reporting.

#### **Effect**

Less analysis and fewer mandatory disclosures.

### **5. Presumption of positive environmental impact of EVs**

#### **Current problem**

The EV manufacturer must report both positive and negative impacts.

#### **Proposal**

Rule Introduction:

The production of zero-emission vehicles qualifies as an activity supporting the EU's climate goals.

As a result:

- less detailed justifications for the positive impact,
- easier ESG communication.

## **6. Limitation of liability for further levels of suppliers**

### **Current problem**

In the EV industry, the greatest risks relate to:

- cobalt,
- nickel,
- lithium.

The car manufacturer often does not have a direct relationship with the mine.

### **Proposed amendment**

Limitation of the obligation of detailed reporting to:

- Tier 1,
- Tier 2.

Other suppliers could be reported on the basis of industry data.

### **Advantage**

Significant reduction in due diligence costs.

## **7. Longer transition periods for new factories**

### **Proposal**

For plants launched after 2026:

- 5-year transition period for full environmental reporting,
- A 7-year transition period for full social reporting in the supply chain.
- **Justification**

In the first years of operation, the company focuses on:

- start of production,
- Homologation
- building a network of suppliers.

## **8. Recognizing investments in batteries and recycling as automatically tangible positive ESG actions**

### **Proposal**

Introduce a provision that investments concerning:

- battery recycling,
- recovery of critical raw materials,
- battery reuse (second life),
- local cell production,

are considered to support climate objectives and the circular economy without the need for additional justification of their materiality.