

Dear Mr de Cambourg, Dear Mr Jaspar,

Thank you for your letter of 25 April with which you submitted EFRAG's workplan and timeline for the delivery by 31 October of technical advice on the revision of the existing set of European Sustainability Reporting Standard (ESRS).

Your workplan rightly indicates that reducing the burden on companies is not simply a question of substantially reducing number of ESRS data points. There are in addition several other important burden reduction levers which should be fully explored and used to the greatest extent possible.

When considering "general burden reduction reliefs" (paragraph 14, point c) of your work plan) I encourage you to consider, amongst other things, integrating reliefs that are in the standards issued by the International Sustainability Standards Board but not in the current set of ESRS, unless there are overriding reasons not to do so. This would not only reduce burden on the companies applying ESRS but also further enhance the already very high degree of interoperability between ESRS and global standards.

As you implement this plan I would like once again to stress the importance of carefully listening to companies and to stakeholders that actively use the reported information. I appreciate that one of the first steps you have taken is to run the call for input from stakeholders and that you are currently engaging with companies and stakeholders through a series of structured interviews. I am further pleased to see that you have been able to plan for a public consultation on the revised draft standards. It will also be important to engage closely with assurance providers, to better understand what modifications to ESRS could reduce the burden arising from the assurance requirement without undermining the overall purpose and quality of assurance.

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It is clearly in the interest of everyone involved that the Commission can adopt the revised draft standards delivered by EFRAG as quickly as possible and with as few modifications as possible. That in turn requires close cooperation between EFRAG and the Commission throughout the implementation of the workplan. To that end, and in combination with any necessary ad hoc updates at my cabinet level, I would be grateful to receive a written update from EFRAG by 20 June describing in more detail the intended modifications to the standards and how and to what extent they would reduce burden on companies.

Thank you again for your constructive attitude to this challenging and important exercise. If you require any further clarifications, please do not hesitate to contact my staff.

Your sincerely,

Maria Luís Albuquerque

