



EUROPEAN COMMISSION

Commissioner Mairead McGuinness
Financial Services, Financial Stability and Capital Markets Union

Brussels, 01 JUN 2023
Ares (2023)3623662

Dear Ms Zwick,

I would like to thank B.A.U.M. and the associated organisations for their letter on sustainability reporting for SMEs and the national sustainability reporting standards developed in this context.

The introduction of a requirement for companies to disclose sustainability information according to ESRS is the main element of the Corporate Sustainability Reporting Directive (CSRD).

As you know, EFRAG submitted to the Commission the first set of draft European Sustainability Reporting Standards (ESRS) in November 2022. These draft standards cover the full range of sustainability issues (environment including climate, social and human rights issues, and governance) and take a “double materiality” perspective. My services continue to work on these draft standards with a view to their adoption by the Commission as a delegated act this summer. This process has included consultations with Member States and a number of EU bodies and we intend to launch a four-week public consultation soon. Our aim is to ensure that the final standards adopted by the Commission are coherent with the CSRD mandate and strike the right balance between providing stakeholders with the sustainability information they need and ensuring the proportionality and usability of the standards for companies.

Additionally, EFRAG has now also started work on the standards for SMEs.

The Commission is committed to achieving proportionality in corporate sustainability reporting, particularly for SMEs. The CSRD imposes no new reporting requirements on SMEs, other than listed SMEs. As you know, EFRAG is developing proportionate standards that listed SMEs can use to meet their legal requirements under the CSRD, as well as a set of simpler standards that non-listed SMEs can use on a voluntary basis. This should help them to cope with the increase in demand for information from large company clients, from the

Ms Yvonne Zwick
Chairwoman,
B.A.U.M. e.V.
yvonne.zwick@baumev.d

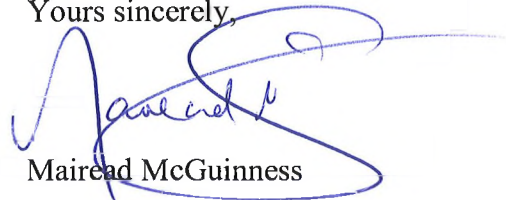
financial sector and others. It will also help to facilitate the participation of SMEs in the transition to a sustainable economy.

The Commission is pleased to hear about the national reporting standards for SMEs currently in place in Germany and Greece, and to learn of their intended compatibility with the CSRD and EFRAG's draft ESRS. We commend the proactivity of national organisations and companies who seek to progress in responding to requests for sustainability information and in producing voluntary guidance on the standardisation of sustainability reporting for SMEs at national level.

We are also pleased to hear that members of your organisation are involved in the EFRAG process to develop European standards for SMEs and are able to bring your valuable existing national knowledge and experience to the process.

Thank you for the efforts of the organisations you represent to help achieve our common goals in this important field of corporate sustainability reporting.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Mairead McGuinness', with a large, stylized flourish extending to the right.

Mairead McGuinness