

Dear Madam, Dear Sir,

It's my pleasure to submit Eurelectric's response to EFRAG's consultation about the proposed Due Process Procedures on EU Sustainability Reporting Standard-Setting.

We welcome the opportunity to share views on the proposed process. In general, Eurelectric supports EFRAG's proposals; the overall approach outlined is very comprehensive. As such, we would like to raise only some minor remarks:

Representation

The representation on page 4 of the Final Report of Potential Need for Changes to the Governance and Funding of EFRAG provides for the accountancy profession but is missing any representation for sustainability professionals. This is a gap as expertise in the area is not plentiful, and the accountancy profession is only learning in the area. NGOs will be able to make up this gap to some extent.

Moreover, we call for inclusive and transparent Due Process for EU Sustainability Reporting Standards. We hope that stakeholders from other sectors than the financial ones will be equally included in the process. We believe this is crucial since the ESRS will also have a strong impact on these stakeholders. We also would like to note that some stakeholders will be able to better contribute to elaborating the standards once the EFRAG puts forward a concrete proposal.

Engagement

Some ongoing engagement with report preparers and users of reports outside of the strict standards-setting and revision processes would seem advisable. This is particularly true in the case of SMEs and in the early stages of implementation. It is not clear that this is envisaged in the proposals.

Timeline & process

Considering parts 1.4 and 1.5, we would like to emphasise that the ongoing political negotiations on the CSRD might have an impact on the ESRS, and this possibility should also be sufficiently considered in the process. The timetable for new legislation should always enable adequate public consultations, comments from stakeholders, analysis of feedback, and changes based on the feedback when necessary. It is important that there is enough time to execute all the steps mentioned in point 5.1.

Naturally, should you have any questions about the comments here above, please do not hesitate to contact us. We remain available to provide any further clarification.

We appreciate your consideration.

Kind regards,