

Mr Jean-Paul Gauzès
Chair
EFRAG
35 Square de Meeûs
B-1000 Brussels
Belgique

15 September 2021

***Object:** Public consultation on Due Process Procedures for EU sustainability reporting standard-setting*

Dear Mr Gauzès,

ACTEO, Afep and MEDEF welcome the consultation launched by EFRAG on the proposed Due Process Procedures (the “Due process”) to be followed by the association when preparing draft EU Sustainability Reporting Standards (ESRS) and amendments to these standards.

First of all, and as you already know, our organisations support the establishment of an international ESG reporting standard - also called “global baseline” - upon which European standards should be built. As a matter of fact, our members consider that only a global approach can ensure a level playing field between European companies and their international competitors and reduce the number of requests for data companies are faced with and coming from multiple and international stakeholders. Therefore, we welcome the provision of the proposal for a Corporate Sustainability Reporting Directive (CSRD) requiring the Commission to take account of the work of global standard-setting initiatives for sustainability reporting and existing standards and frameworks as well as the provision laid down in section 2.8 of the consultation paper¹ and invite EFRAG to closely cooperate with these international actors.

We would also like to take the opportunity of this consultation to remind that preparers themselves are users of reporting standards. Preparers need and expect standards that are understandable, relevant and simple to implement. This is a key condition in order to ensure that the information made public is useful to the potential end-users and that the reporting requirements do not generate undue administrative burden. In this regard, we see the Due process as a safeguard for ensuring that the preparers’ concerns are taken into account and that the output of the forthcoming standard-setting work is ‘fit for purpose’.

¹ “The Chair of the EFRAG SRB and the Chair of the EFRAG SR TEG can invite other sustainability standard setters or initiatives (...)”

Generally speaking, we support the Due process described in the consultation document that EFRAG intends to implement following the reform of its governance. Our main concern however relates to the interim period and the interim technical work EFRAG will carry out before the revised governance structure is in place. Our understanding is that EFRAG will lay the foundations of the first set of non-financial reporting standard, based on the work of the PTF-NFRS, during this interim period. It is therefore crucial to implement a transparent and inclusive process during the interim period to ensure that all stakeholders adhere to the future standard.

As regards more specifically the Due Process under consultation, we would like to share the comments detailed in the annex to this letter.

We remain at your disposal to answer any questions.

Yours sincerely,



Lise Choques
Director General
ACTEO



François Soulmagnon
Director General
AfeP



Christophe Beaux
Director General
MEDEF