

## **SLCP Public Affairs**

### **SLCP Response to the Consultation on the European Commission's Proposal on Postponing EFRAG's European Sustainability Reporting Standards (ESRS) Sector-Specific Standards**

**December 19, 2023**

SLCP<sup>1</sup> welcomes the opportunity to provide feedback on the proposal to postpone the sector-specific European Sustainability Reporting Standards (ESRS).

We are concerned that a delay until 30 June 2026 could be counterproductive for the established objectives. This is because it creates an information gap between the agnostic standards and sector-specific standards that has the potential to lead to inconsistent information for investors and thus reducing the potential impact.

#### **Why is there urgency for sector-specific standards?**

1. High impact sectors often need to prioritize sector-specific risks. In order for the disclosures to be truly insightful, the disclosures should be about how companies are addressing these issues in the sectorial context, reducing the risk of diverging priorities within the same sector. Additionally, particularly for these industries, the timeframe between the sector-agnostic ESRS and the sector-specific ESRS could lead to proliferation of data, which may heighten inconsistencies and reducing its meaning.
2. Without the sector-specific ESRS, companies will be required to disclose with a lack of clarity. Dealing with complex issues like human rights in supply chains requires not only an agnostic lens, but also a tailored and granular level of relevant information.
3. Meaningful and comparable information that ensures a faithful representation from an impact perspective is critical for credible disclosures. For companies to collect credible and detailed data, practical and sector-specific guidance is needed. Additionally, examples of processes to ensure the accuracy of data, such as through verifications of assessments, will promote consistency.
4. Sector specific standards are beneficial not only for investors and companies seeking clarity, but also for multi-stakeholder initiatives (MSIs) which provide implementation tools and can align with the legislative requirements. SLCP's Converged Assessment Framework (CAF) is one example of a tool that is used by many companies in the textile sector for disclosures relating to workers in the value chain. The CAF will be mapped (and potentially updated) to support companies in meeting their regulatory needs, and this process will be more effective with sector-specific standards already published.

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<sup>1</sup> SLCP ([Social & Labor Convergence Program](#)) is a multi-stakeholder initiative, with over 260 Signatories. SLCP's mission is to improve working conditions in global supply chains through collaborative action from textile, apparel and footwear industry leaders and beyond. To achieve this, SLCP has created a Converged Assessment Framework (CAF), which is currently widely supported and implemented across the industry. The verified data collected through the assessments can provide a credible source for Human Rights reporting and as such a tool to the proposed standards.

**Converged Assessment.  
Collaborative Action.  
Improved Working Conditions.**

**SOCIAL & LABOR  
CONVERGENCE**

In conclusion, the European Commission should prioritize sector-specific standards by giving the clear mandate for EFRAG to develop sector-specific ESRS in high impact sectors including Textiles in 2024, as it is currently specified by the Accounting Directive.

SLCP will continue to support companies with the implementation of their disclosure obligations, and stands ready to further contribute to the development of the future sector-specific standards.