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Re: Consultation Document “Due Process Procedures for EU Sustainability Reporting Standard-Setting”

Dear Jean-Paul,

OIC is pleased to have the opportunity to provide its comments on proposed due process procedures for EU Sustainability Reporting Standard-Setting.

In general, we do not have comments on the due process procedures and on the principles of transparency, public consultation and analysis of potential impacts of proposals described in the EFRAG consultation document.

Indeed, the consultation document sets out fundamental principles underlying the due process for standard setting. After all, these are procedures that we find also applied by the IASB

One aspect that we want to highlight is the importance of impact analysis during the standard-setting process, fundamental to assess the potential implications of new requirements. In order to be efficient, the impact analysis should be carried out in a rigorous way and with a transparent due process. This would require some clarifications on these profiles.

However, we are concerned about the meeting of these principles and due process procedures during the interim technical phase.

The acceleration, given by the European Commission to the sustainability matter, has implied that EFRAG has started immediately to work on the draft standards without

waiting for having available the final version of CSR Directive and for the full implementation of the EFRAG governance reform.

Basically in this so called "interim phase" EFRAG will have to perform the most important part of its task: drafting all the core standards that companies should be required to apply for their sustainability reporting.

It is clear that this is a very delicate and relevant phase.

The consultation document states that the procedures set out in the document will to the extent possible and practicable be applied as well to the interim technical work. In this regard, it is envisaged shortened consultation periods but nothing is said about the need of potential re-exposures of drafts or about public availability of meetings or meeting papers.

Instead, we strongly believe that it is essential that, especially at this stage, transparency and clarity on the procedures have to be guaranteed.

In our view, less transparency and involvement of stakeholders, just in the phase of developing of core sustainability standards, could compromise the quality of the standards and their future acceptance.

Therefore, we call that the due process proposed is fully meet also during the interim technical work and that each step of this process (for example, who approves the drafts for public consultation, re-exposure of drafts, public meeting) is detailed as done in the document for the standard due process.

Should you need any further information, please do not hesitate to contact us.

Yours sincerely,

Angelo Casò
(OIC Chairman)