

EBCA suggestions to rationalise reporting requirements

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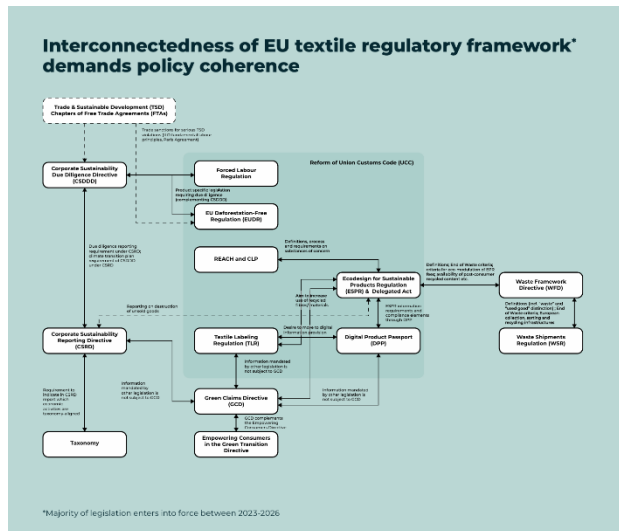
The European Branded Clothing Association is the main EU business association representing more than 75 well known clothing brands, grouped across 14 global company members. EBCA envisions a Europe where our sector contributes to shared prosperity and is supported by global standards that enhance sustainability and trade, creating a level playing field.

We welcome the EU institutions' call to rationalise reporting requirements without reducing the EU's policy ambition. In our views, reporting requirements can support business' corporate sustainability strategies by assessing their material impact and contributing to non-financial decisions. Furthermore, while global standards are EBCA's preferred options, we see the benefits of EU alignment and leadership in this area. EU reporting requirement shall prevent the multiplication of national requests for information that have little impact on improving business operations.

In this context, the work on the rationalisation of reporting requirements could help to achieve the following goals:

More consistency and harmonisation: [EBCA manifesto highlights](#) the interconnection among EU legislation that will impact our business operations and strategy in the next 3 to 5 years.

Maintain the sustainability ambition. EBCA members are pioneering sustainability solution to meet our environmental and social challenges. We support the overall Green Deal and EU leadership to raise the bar for higher criteria. As such, this exercise should aim **exclusively at streamlining reporting. We do not support diluting the CSDDD nor CSRD further or extending the deadline for implementation by e.g. introducing an omnibus or reopening the directives.**



Investment protection: EBCA members have invested in IT systems, internal resources and external consultancies to meet the EU requirements and substantiate their results via third-party verification and certification tools.

Targeted, quality reporting Mandating excessive information requirements leads companies to over comply in order to avoid the risk of non-compliance, adding unnecessary complexity and reducing the relevance of reported information. EBCA regrets that the broad scope of reporting

requirements across numerous data domains, without clear sectoral standards, may make it difficult for business to develop focused, high-quality disclosure. In addition, prioritisation can help build the adequate IT and process to provide information more systematically.

Building capacity among suppliers: The clothing and footwear branded sector is extremely globalised with a wide variety of suppliers – often small entities - established in third countries. Data collection, compliance and verification will heavily involve our suppliers who will need to provide all of the necessary evidence in a timely manner. These global aspects should be considered when setting timeline, allowing for sufficient time for our supply to adapt to both EU requirements and to their associated data collection.

This is why we would like to highlight the following suggestions:

Be data-driven and not document-driven: EBCA calls for building data systems based on limited, proportionate, purposeful, targeted and reasonable data disclosures. Data should also be standardised and interoperable, allowing seamless integration between reporting systems (e.g. custom systems, EPRs) and , so that there could be a real shift from a document-based system to a data-based system. This will support interoperability and data reuse, building on the principles of the EU Data Strategy to drive economic growth and competitiveness within the EU. In addition, regulatory frameworks should remain technology-agnostic, avoiding mandatory developments that risk becoming obsolete and ensuring adaptability to evolving technologies.

Aligning with existing and well-established global guidance. Efforts should be made to align EU regulations, such as CSRD or CS3D, with global sustainability standards like the ISSB, OECD guidelines or industry multistakeholder initiatives. For instance, the branded clothing sector has led numerous industry multi-stakeholder initiatives to engage diligently with its supply chain, which can serve as basis for establishing sector-specific rules. Such global approach would allow companies to report in a unified way across regions, reducing duplication and streamlining compliance.

Streamlining corporate reporting obligations: The overlapping requirements in EU reporting frameworks, including the CSRD, EU Taxonomy, and CS3D, present significant challenges for companies due to duplicated data points (e.g., GHG emissions, biodiversity impacts, and human rights risks) and inconsistent methodologies (e.g., differing approaches to climate change mitigation, biodiversity assessment, and due diligence processes). To address this, the EU should prioritize the development of a harmonized reporting structure that standardizes key data points, aligns methodologies, and synchronizes reporting timelines across these frameworks. By integrating these requirements into a unified compliance system, companies could avoid redundancies, reduce administrative burdens, and ensure greater coherence and efficiency in meeting their sustainability obligations.

Establishing standardized methodologies to ensure comparability: Harmonized methodologies should be developed to enhance comparability, streamline compliance, and improve the reliability of sustainability reporting across EU frameworks. The absence of standardized approaches for measuring impacts—such as calculating financial impacts of sustainability risks or assessing alignment with environmental or human rights objectives—hampers comparability across companies. Divergent methodologies lead to inconsistent results, reducing transparency and utility for stakeholders and authorities alike.

Development of clear, prioritized sector-specific guidelines under CSRD: To prevent overcompliance and reporting fragmentation, sector-specific guidelines should be developed with clear priorities. These guidelines must focus on the areas of greatest impact for each industry, tailoring CSRD requirements to the unique characteristics and sustainability risks of the sector and avoiding duplication of obligations already covered by sector-agnostic requirements. This would help companies avoid unnecessary complexity, allowing them to focus on what truly matters for their business, and ensuring that the application of CSRD is more meaningful and efficient.

Reporting requirements should be as consistent as possible across EU law. Mechanisms for coordination should be established between existing regulatory frameworks (such as CSRD, Taxonomy, CSDDD) and upcoming reporting obligations (like ESPR, WFD) to align information requirements and formats. For instance, EBCA suggest integrating the reporting of for unsold goods reporting within the broader sustainability reporting framework, creating synergies between the CSRD and ESPR, and streamlining processes and avoiding conflicting requirements.

Prevent communication barriers: Information that has already been validated under existing EU reporting frameworks, such as CSRD, should be allowed to be reused for sustainability-related communications without requiring additional external verification under, for instance, the Green Claims Directive. This would enable companies to transparently communicate their sustainability practices without incurring extra costs or administrative burdens