



EFRAG  
35 Square de Meeûs  
B-1000 Brussels  
Belgium

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## Public Consultation Due Process Procedures on EU Sustainability Reporting Standard-Setting

The Confederation of Swedish Enterprise welcomes the opportunity to comment on the Public Consultation on Due Process for the development of EU Sustainability Reporting Standards (ESRS).

The awareness of the need for transparency regarding ESG-issues is high on the Swedish market. Listed Swedish companies have a long experience of providing sustainability disclosures on a voluntary basis and Swedish entities were early adopters of standards for sustainability reporting such as GRI and IR. The current fast regulatory development since the implementation of NFRD is therefore an area of great interest for our member organisations and companies. As the scope of the NFRD was extended in Sweden to include all large entities, there is also extensive involvement in issues concerning sustainability reporting among Swedish non-listed entities.

The Confederation of Swedish Enterprise believes that high quality and well-balanced sustainability disclosures are key to provide the capital market and other interested parties with the information needed to provide funding for effective contribution to sustainable development and to support transition. As expressed in our comments to previous consultations regarding the CSRD, the growing demand for sustainability information from the capital market and other actors have reinforced a need for convergence among reporting standards and increased comparability of sustainability disclosures. The Commission have proposed the development of EU sustainability reporting standards and the draft directive and calls on EFRAG to provide technical advice on such standards. We note that EFRAGs process to provide such advice is already well under way, even if the CSRD has yet to be adopted.

From our point of view, the ambitious time-line and squeezed process currently makes EFRAGS actions difficult to survey and follow. The awareness among reporting entities on how to access information and provide valuable feedback is limited. Nevertheless, the outcome of the standard-setting process will undoubtedly have a large impact. Thus, there is an urgent need for a more transparent and functioning due-process. The fast establishment of a clear framework and procedure for the development of standards will also be crucial for the

legitimacy and acceptance of the future standards among both preparers and users of sustainability information. Thus, we agree with the view expressed by BusinessEurope that the proposed due process in the Consultation Paper should apply in its entirety during EFRAG's interim technical work. We also agree with BusinessEurope's views on the proposed consultation process.

In addition, we would like to add that the need for convergence and comparability of sustainability information is not a merely European issue. European sustainability reporting standards will be of limited support for reporting entities that obtain their funding on international capital markets. Therefore, we believe that convergence with international sustainability reporting standards should be acknowledged among the objectives for the development of technical advice, and not just as part of the post-implementation review process.

We also believe that the mandate for the new Sustainability Reporting Board to develop non-binding guidelines should be addressed in the due process procedures. As non-binding guidelines may be confused with best practice – which may vary depending on company size and sector – it is crucial that the objective and scope of any such guidance is clearly articulated.

Kind regards,

CONFEDERATION OF SWEDISH ENTERPRISE

A handwritten signature in blue ink, appearing to read 'Sofia Bildstein-Hagberg', with a long horizontal flourish at the end.

Sofia Bildstein-Hagberg  
Senior Adviser Corporate Reporting

[sofia.bildstein-hagberg@svensktnaringsliv.se](mailto:sofia.bildstein-hagberg@svensktnaringsliv.se)

+46734222617